INDEXING

AND

PRÉCIS OF CORRESPONDENCE

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MODERN STUDIES IN

INDEXING

AND

PRÉCIS OF CORRESPONDENCE

FOR THE USE OF CIVIL SERVICE CANDIDATES

BY THE

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AUTHOR OF

'THE ART OF PRÉCIS-WRITING'

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CONTENTS.

EXERCISES FOR INDEXING AND PRÉCIS.

STUDIES IN INDEXING AND PRECIS.

INTRODUCTION.

1. The author of this work provided, some years ago, in his Treatise on the Art of Précis Writing, a course of systematic instruction in the chief methods of abridging language. But the scope of that treatise allowed only a very small space for a species of exercise, of which the object is to produce a narrative, as concise and continuous as possible, of the main facts contained in a body of correspondence on one general topic. He now seeks to supply that deficiency.

2. For those who have perused the earlier publication, little in the way of precept can be needful here: example will now be found better than precept; but a candidate for examination in Civil Service Précis should try to appreciate each of the examples of Précis given in this work as to its conformity with the following general directions of the Civil Service Commissioners:—

'The object of the Memorandum or Précis, *which should be —not letter by letter, but—in the form of a narrative*, is, that any one who had not time to read the original letters, might, by reading the Précis, be put in possession of all the leading features of what passed. The merits of such a Précis are—(1) to contain all that is important in the correspondence, and nothing that is unimportant; (2) to present this in a consecutive and readable shape, expressed as distinctly as possible; (3) to be as brief as is compatible with completeness and distinctness.

'*Brevity should be particularly studied. The Précis should occupy about two pages, or three at the most, of ordinary handwriting.*'

The above restriction as to the number of manuscript pages in a Précis is suited, of course, to the amount of important matter in such Papers as are usually set.

3. The writing of an Abstract, Schedule, or Docket of correspondence has of late years assumed special importance, as having been frequently required without a Précis. When such is the requirement, the substance of each communication should be a little more explicitly stated than there might otherwise be time for.

The directions given by the Civil Service Commissioners respecting the Abstract are as follows:—

'The object of the Abstract, Schedule, or Docket is to serve as an Index. It should contain the date of each letter; the names of the persons by whom and to whom it is written; and, *in as few words as possible*, the subject of it. The merits of such an Abstract are (1) to give the really important point or points of each letter, omitting everything else; (2) to do this briefly; (3) distinctly; and (4) in such a form as readily to catch the eye.

'*Brevity should be particularly studied.—The Abstract should occupy one or two pages only, or three at the most.*'

4. As the Index of a Paper of Correspondence usually precedes the Correspondence, it is perhaps best, when both a Précis and an Index are required, that the Index should be compiled first: the consideration which this will have required may be expected to facilitate the subsequent composition of the Précis.

5. The Index published with a Parliamentary Paper occasionally presents nothing more than the names of the correspondents, in serial order, and the dates of the communications. Thus, referring to Paper (C), page 37, the Index for that Paper might proceed simply as follows:—

List of Papers.

NO.		PAGE
1.	Administrator Sir T. Shepstone to Sir M. Hicks Beach, March 12, 1878	1
2.	Aborigines Protection Society to Sir M. Hicks Beach, April 6, 1878	3
3.	Sir M. Hicks Beach to Aborigines Protection Society, April 20, 1878	6

6. But the *Index Abstract, or Docket*, is that which is

referred to by the name *Indexing* in schemes of Civil Service examination, and always indicates the chief points in the several communications. The Index actually given with the Parliamentary Paper (C), is, for the three letters above referred to, as follows :—

Table of Contents.

7. Generally the correspondence given for Indexing at Examinations is accompanied with specimens of the manner in which the entries are required to be made. The following is adapted to Paper (C) in imitation of one of these specimens.

Specimen.

Serial No.	Place and date	From and to whom	Subject
No. 1	Pretoria, Transvaal, 1878, March 12	Administrator Sir T. Shepstone to Colonial Office	Inclosing copies of a Proclamation which he was obliged to issue against seditious movements in the Transvaal.
Inclosure	March 11	Copy of Proclamation	To put a stop to agitation and alarm, excited by seditious persons since the return of a deputation from Europe confirming the annexation of the Transvaal.

*** In the Studies to which we now proceed, we follow the first of the two preceding forms of indexing, as having the sanction of the most recent official practice; but we have adopted from the second form the better relative positions of the column of names of correspondents, and that which contains the subject of correspondence.

PAPER (A).

Despatch from Governor J. Pope Hennessy, C.M.G., and Reply, relative to his Estimate of the Nature and Importance of the Ashantee Invasion.

No 1.

Governor J. Pope Hennessy, C.M.G, to the Earl of Kimberley.—(Received July 9.)

GOVERNMENT HOUSE, NASSAU, *June* 19, 1873.

My Lord,—My attention has been drawn to the following paragraph in the 'Spectator' of the 24th of May:—

'The Ashantee war is likely, we apprehend, to become a somewhat unpleasant question, and the line of defence taken by the Colonial Office on the subject is not of a kind to propitiate opinion, which does not like to hear a public officer of great ability censured without papers produced, or opportunity of defence. Whether Governor Hennessy or Colonel Harley was right in his estimate of the forces and determination of the King of Ashantee, does not seem to be so much the question as Mr. Knatchbull-Hugessen would have it believed. A more injudicious statement has seldom been made even by an Under Secretary, than his statement on the subject, and we observe that Lord Kimberley, on Tuesday, carefully refrained from pronouncing on the principal point involved.'

2. Owing to my absence from England, I have no means of accurately ascertaining what Mr. Knatchbull-Hugessen said. But from the foregoing paragraph and from some letters I have received from Members of the House of Commons, I fear there is little doubt that he went out of his way to pronounce a censure upon me with respect to my views about the Ashantee invasion, before my Despatches were published.

3. Though it is perhaps too soon to think of pronouncing who was right or who was wrong in this matter, I venture to [illegible] your Lordship's attention to the following facts, which show how unjust Mr. Knatchbull-Hugessen was to me when he informed the House of Commons that 'Colonel Harley from

the first, rightly appreciated the nature and character of the invasion, which were quite misapprehended by Mr. Hennessy.'

4. Colonel Harley was Administrator of the Gold Coast when the invasion of the Gold Coast Protectorate occurred. I was Acting Governor-in-Chief of the West African Settlements, stationed at Sierra Leone, some hundreds of miles north of the Gold Coast.

5. I was the medium of communication between your Lordship and Colonel Harley, it being his duty, in the words of the Colonial Regulations, to transmit all official Reports and information to the Governor-in-Chief. My power of forming a correct judgment as to what may be taking place on the Gold Coast, would be seriously diminished if the Administrator failed to comply with these Regulations.

6. My first answer to Mr. Knatchbull-Hugessen is that, in all the Despatches I wrote to your Lordship respecting the Ashantee invasion, I drew attention to the fact that Colonel Harley had broken the Colonial Regulations, and had kept back from me the early reports he had received of the invasion, though they were acted upon by Colonel Harley, and communicated by him, confidentially, to the officer in command of the troops. I complained that he had kept back these reports from me, and from that day to this I have never seen them, as my successor, Mr. Keate, arrived at Sierra Leone before they reached h adquarters.

7. The last Despatch I wrote to your Lordship on the subject of the Ashantee invasion was dated 13th February, 1873, inclosing a copy of the only Despatch I wrote to Colonel Harley on the subject. In the latter, dated 12th February, I said to Colonel Harley, 'It is difficult, with the insufficient information before me, to form anything like a definite opinion upon what is really taking place in the Protectorate.

8. In my Despatch to your Lordship of the 8th of February, 1873, I dwelt upon two points of importance, with respect to which I complained that Colonel Harley kept me in the dark.

9. I pointed out that Colonel Harley first wrote to me on the subject on the 31st of January, 1873, his Despatch reaching me at Sierra Leone on the 8th of February, whereas two or three mails before his Despatch reached me a letter in his handwriting, marked confidential, was received by the officer in command of the troops at Sierra Leone, dated 9th January, 1873, reporting an Ashantee invasion, and requesting some particular movement of officers or troops. Owing to the con-

fidential manner in which Colonel Harley conducted his official correspondence with the military authorities, I was not made aware of it for a considerable time. In commenting upon the tardy and insufficient information given to me by the Administrator, I said, 'Colonel Harley's letter to Captain Turton is dated 9th January, 1873. The letter he therein refers to, from Dr. Gouldesbury, the Commandant of Axim, reporting the Ashantee invasion, must have been dated one or two days before that.

'Your Lordship will observe that, even now, Colonel Harley does not send me a copy of the Report he received on the 9th of January, 1873, from Dr. Gouldesbury, nor does he acquaint me with the fact that he then requested that another officer should be sent to Axim on account of the Ashantee movement in Assim.'

10. In the same Despatch, of the 8th February, 1873, I added that Colonel Harley had also 'kept me in total ignorance, as far as any communications public or private from him of his proceedings at Elmina, the angry retort of the King, and the return of the present of 25*l.* he had sent the Elmina Chiefs.' On these grounds chiefly I stated I had lost all confidence in him. I concluded by saying, 'If Mr. Keate's illness should continue, and that I must remain here for some time longer, I trust your Lordship will allow me to transfer Colonel Harley to the Gambia. Having lost all confidence in him, it would be unfair to the public service, and to him, if I did not ask your Lordship to do this.'

11. The return by the Elmina Chiefs of Colonel Harley's Government present of 25*l.* was a grave incident. It took place before the Commandant of Axim reported the disturbances. Yet, though I had always impressed upon Colonel Harley that Elmina was the key of the Ashantee question, he never reported the incident to me, nor gave me the smallest hint of the differences arising between himself and the King of Elmina. • • •

12. I cannot avoid saying that, if Colonel Harley had complied with the Colonial Regulations and transmitted to me in due course the reports and information on these subjects that it was his duty to send, I believe the state of affairs at Elmina, and in the Protectorate generally, would be different from what it is now. It is not, however, for the purpose of saying this that I refer to the breach of the Regulations, but with the object of relieving myself from the unjust censure of Mr. Knatchbull-

Hugessen. The Under-Secretary's words would have produced a different effect in the House of Commons, if he had added the plain fact that, whatever opinion I entertained as to the Ashantee invasion, and whether that opinion was right or wrong, I had, in every Despatch, complained of the material information that Colonel Harley was keeping back from me, and that inclosed in my last Despatch to your Lordship about the invasion, and amongst the very last words I wrote, were the following:—

'It is difficult, with the insufficient information before me, to form anything like a definite opinion upon what is really taking place in the Protectorate.'

13. I still think that a frank and immediate communication to the King of Ashantee, and the continuance of a conciliatory policy to the Kings and Chiefs in the territory I transferred, instead of the disputes and arrests that began the year 1873, would have prevented the raid on Assim being converted into an Ashantee war. If Colonel Harley had given me timely notice of the troubles in which he was becoming involved, I believe the intimate and friendly relations I had always maintained since April 1872 with the King and Chiefs of Elmina would have been of some advantage in securing a pacific result. This is, however, a matter of opinion, in which I may or may not be mistaken.

14. One thing, however, seems clear, that the object Parliament had in 1865 (after seeing how the former Ashantee war was provoked) in establishing a Government-in-Chief at Sierra Leone was nullified on this occasion by Colonel Harley's failing to communicate with me.

15. On some not unimportant points of detail on which I spoke to Mr. Knatchbull-Hugessen at the Colonial Office, I think the Under-Secretary will now admit that I was right; I refer to the strength of the Ashantees and to the value of the Houssa force.

16. I told him twice that he underrated the strength and intelligence of the Ashantees. In the interval between my interviews with him I had an opportunity on the 29th of April of expressing my views in public, and in the report of my remarks which appeared in the 'Times' on the 1st of May last, Mr. Hugessen might have read the following words:—

'From conversing with people who had lived among the Ashantees, Mr. Hennessy had come to the conclusion that we

ought to have a clear understanding with the Ashantees, who were respectable for their strength and intelligence.'

17. It was not, however, until the 9th of May that Mr. Knatchbull-Hugessen acknowledged that the strength of the Ashantees had been seriously underrated by Colonel Harley.

18. I also expressed at the Colonial Office and in my Despatches the opinion that the Houssa and Fanti police constituted an effective and cheap contingent; I have now before me an unofficial letter of Colonel Harley, setting forth a very different opinion.

19. But the result, up to this, of the proceedings in the Protectorate shews that I was not wrong about the best force for dealing with the emergency.

20. As Mr. Knatchbull-Hugessen censured me at a time when the West African papers were not printed, and no one could, therefore, set him right, I venture to ask your Lordship, as an act of justice to an absent officer, to cause this Despatch to be laid before the House of Commons.

I have, &c.

(Signed) J. POPE HENNESSY.

No. 2.

The Earl Kimberley to Governor J. Pope Hennessy, C.M.G.

DOWNING STREET, *July* 16, 1873.

Sir,—I have to acknowledge the receipt of your Despatch of the 19th ultimo, complaining of a statement made by Mr. Knatchbull-Hugessen in reply to a question in the House of Commons, upon the 9th of May, on the subject of the Ashantee invasion.

I make the fullest allowance for the difficulty of forming a correct judgment as to the character of this invasion at a distance from the scene of action, but, in justification of Mr. Knatchbull-Hugessen's statement, I need only refer you to your Despatch of 13th February, 1873.

In accordance with your request I shall lay your Despatch before Parliament, accompanied by my reply.

I inclose, for your information, a copy of the correspondence which has been presented to Parliament on the affairs of the Gold Coast, in which you will find printed your statement that

Colonel Harley failed to give you the information with which you should have been furnished, together with Colonel Harley's explanation.

I have, &c.
(Signed) KIMBERLEY

INDEX TO PAPER (A.)

Table of Contents.

No.	Dates	Names	Subject	Pge
1.	June 23, 1873 (Rec. July 14)	Governor Hennessy to Earl of Kimberley	Despatch, remonstrating against Mr. Knatchbull-Hugessen's censure of the Governor's estimate of the character of the Ashantee invasion, and accusing Col. Harley of withholding information	
2.	July 16, 1873	Earl of Kimberley to Governor Hennessy	Reply, referring to one of Mr. Hennessy's own Despatches for justification of Mr. Knatchbull-Hugessen, but promising to lay the above Despatch before Parliament	

PRÉCIS OF PAPER (A).

Précis of Correspondence relative to Governor Hennessy's Estimate of the Nature and Importance of the Ashantee Expedition.

No. 1. Mr. Hennessy, Governor-in-Chief of the West African Settlements, stationed at Sierra Leone, complained to the Earl of Kimberley of having been unfairly censured in the House of Commons by Mr. Knatchbull-Hugessen,

who had stated that Colonel Harley's views on the character of the Ashantee invasion were right, and Mr. Hennessy's wrong. Sierra Leone was far north from the Gold Coast, of which Colonel Harley was Administrator at the time of the invasion; and he was bound by Colonial Regulations to send all official information to the Governor-in-Chief, but had failed to do so. Mr. Hennessy said that in all his own Despatches he had complained of being, through Colonel Harley's neglect, insufficiently informed, and that that extenuating circumstance should have been taken into account by Mr. Knatchbull-Hugessen; that the latter had for some time underrated, as Colonel Harley did, the strength and intelligence of the Ashantees, but at last acknowledged that they had been more justly estimated by Mr. Hennessy. In conclusion Mr. Hennessy begged that his present Despatch should be laid before the House of Com-
No. 2. mons, and Lord Kimberley promised that it should be, but referred to one of Mr. Hennessy's own Despatches as justifying Mr. Knatchbull-Hugessen's statement. He inclosed copy of correspondence, presented to Parliament, on the affairs of the Gold Coast, containing an explanation by Colonel Harley respecting the alleged neglect.

PAPER (B).

Despatches on the subject of the Ashantee Invasion and Attack on Elmina.

No. 1.

Colonel Harley to the Earl of Kimberley.—(Received July 14.)

THE CASTLE, CAPE COAST, *June* 23, 1873.

My Lord,—My Despatch of the 10th instant will have placed your Lordship in possession of the state of affairs up to that date, and the few lines I was enabled to send at the last moment by Despatch of the 13th instant, owing to the delay of the steamer, will, however imperfectly, have prepared your Lordship to hear of the bombardment of the King's quarter at Elmina.

2. I now very respectfully submit for your Lordship's information Lieutenant-Colonel Festing's report of the operations which he undertook, in concert with Captain Fremantle, the Senior Naval Officer, and which appear to have been as well executed as planned.

3. Your Lordship will observe that not only was time given to the people of Elmina to deliver up their arms, but it was renewed for an hour, and again extended for half an hour, making the notice in all three and a-half hours. During this time the Chiefs held two palavers in the Castle, evidently to gain time, and to dissuade Colonel Festing from the prompt action which he took.

I have since been told that the Chiefs said 'the Dutch often threatened them but always gave way at the last,' and they doubtless hoped such would have been the case now; but, my Lord, I would not have consented to the proclamation of martial law had I not felt satisfied that temporising any longer would be fruitless of any result except evil to us, and that the time had come for the action of a firm decision, by which it would be shown unmistakably that the authority of Her Majesty's Government must be felt and respected, and that no half mea-

sures could be any longer tolerated. I confess I am glad that the Elminas escaped with their lives, although it would have been well could their arms have been seized before they got out of the town; but I believe that everything was done by Colonel Festing that could be accomplished at the time, and that the destruction of the King's quarter was then a just and sufficient punishment for their treachery and disloyalty.

4. In the afternoon, when they came on, joined by the Ashantees, and attacked our forces, intending, if possible, to destroy the loyal part of the town, they were again severely punished, as they deserved; but your Lordship will see, I am sure, with satisfaction, the small number of casualties on our side, in comparison with that of the enemy, a return of which is appended to Colonel Festing's detailed report herewith.

5. I have ventured to express my approval in an official manner of the valuable services which have been rendered by Colonel Festing and Captain Fremantle, with the forces military and naval under their command, which I submit for your Lordship's information.

6. I have also concurred in the recommendation of Colonel Festing that the ruins of the King's quarter should be levelled, consisting of but bare walls, and that a new site be chosen for the native town at some distance from the Castle, as the proximity of the old town was always a danger, and I have been surprised that the Dutch should have allowed them to build their huts under the very walls of it.

7. The return of the second King and sixteen of the Elmina chiefs who took the oath of allegiance strikes me as evidence of their having now made their decision in favour of British rule rather than pass over to Ashantee, where, no doubt, the King would be ready to welcome them.

8. I inclose for your Lordship's information a copy of Colonel Festing's report to the Secretary of State for War, and to the Admiralty, with which he has favoured me, so that your Lordship will be in possession of all the details of the operation.

9. The main body of the Ashantees is now at Effootoo, equally distant from Elmina and Cape Coast, between ten and twelve miles, but they have advanced parties at villages only distant about seven miles.

10. The traders of Cape Coast are still full of alarm and fear, without taking any steps that I am aware of to either assist the Government or help themselves, which, however, I have endeavoured to allay by requesting the Senior Naval Officer at

Cape Coast (Captain Blake) to land some seamen and marines in all fifty men with two officers, which has been done with Captain Fremantle's approval, and they are quartered in the Castle. I should here mention to your Lordship that, as Elmina is the point of attack, Colonel Festing and Captain Fremantle have made it their head-quarters, and I have reason to think that Colonel Festing's energy will do much there to restore order, as I regret to have to acquaint your Lordship that Captain Turton, 2nd West India Regiment, has had to be invalided, his health having completely broken down. Should it be sufficiently restored on his arrival in England I have requested him to call at the Colonial Office and afford your Lordship such personal information as he can well give, as perhaps from having been in command at Elmina for some time, and acting as Mr. Hennessy's private Secretary at the time of the transfer, he will have a more intimate knowledge of all the circumstances than any one else I know.

11. I very earnestly trust that I may have your Lordship's continued approval of the steps which I have taken in conjunction with Colonel Festing and Captain Fremantle, whose co-operation and readiness to assist the Government I take this opportunity of bringing to your Lordship's favourable notice.

I have, &c.

(Signed) R. Wm. Harley, *Colonel*,
Administrator-in-chief.

Inclosure 1 in No. 1.

Fort St. George, Elmina, *June* 15, 1873.

Sir,—I have the honour to report that, in conformity with the decision arrived at on the 12th instant by your Excellency in Council, in placing this town and the surrounding districts under martial law, I marched with a force of men at midnight to the Castle.

2. According to the plan I had previously arranged in concert with Captain Fremantle, R.N., the disaffected quarter of the town was surrounded by troops and boats from Her Majesty's ships at 5.30 A.M., when martial law was immediately proclaimed, and orders issued to seize all arms, &c., but to molest no one, and to fire only on being attacked. A proclamation to this effect, a copy of which is inclosed, was then issued, giving the people a sufficient time to deliver their arms.

3. In about an hour's time several Chiefs of the friendly portion of the city came to discuss matters, upon which, after one discussion, we despatched them to the town to tell the people we had no intention of altering our resolution.

4. A message then came from some Chiefs of the disaffected quarter, proposing that we should go out of the fort over the drawbridge to meet them; we replied that we would see them if they came into the Castle to us upon the battery rampart, and would give them a free pass out of the Castle.

5. In about another hour's time, several of these Chiefs came, but could give us no truthful reason why the arms were not brought to the Castle as directed.

6. At this time we published another proclamation, a copy of which is inclosed, giving them one hour more, after which, should the arms be not forthcoming, we would bombard the town.

7. Wishing to give every opportunity to the people to become loyal and to attend to our commands, we deferred another half-hour, at which time (noon), no arms from that quarter having arrived, we opened fire all round the town which set it on fire. We discontinued bombardment before twenty minutes had passed.

8. A considerable number of armed men managed to elude our line of sentries at the back of the town through a prickly-pear grove. These men assembled together and opened fire upon us. Mr. Loggie, with the Houssas, some Marine Artillery and Light Infantry, and 2nd West men, whose line they had broken through, returned their fire.

9. About this time, a report came to me that the Ashantees were advancing. Having ascertained that such was the fact, I determined to take the field, Captain Fremantle, with his usual readiness in co-operating, adding to my force the men from his boats.

10. These Ashantees came from the north, and were marching to join their Elmina friends.

11. We advanced all our available men against the combined forces of the enemy, and succeeded with very slight loss in completely routing them, killing a few, and taking a colour. This being done, we returned to the Castle about 3 P.M.

12. About 5 I found that the Ashantees were coming in from the north in the direction of the friendly part of the town. Having allowed them to get quite close to the Garden outpost, all the available forces were assembled, with the

addition of the men from the 'Barracouta's boats (the only boats left in the river), whom, at my request, Captain Fremantle immediately ordered to land, we advanced under cover to meet the enemy. They were in great force, estimated at 3,000 men, but the cool of the evening and the clear ground they had crossed over being in our favour, we did not take long to dispose of them. The Ashantees fought well, and tried to turn our right flank, but at this moment Lieutenant Wells, R.N., with the blue-jackets, suddenly appeared, and drove them back. The Ashantees were now greatly startled, and began to waver. Seeing that our flank was secure, I now advanced all the line and drove them back into the bush.

13. Their loss was about 200 men, including the General in command and three other Chiefs, among whom was the Ashantee King's nephew, whereas in both engagements our loss was: killed, 1 private Royal Marine Light Infantry, and 1 private 2nd West Regiment; wounded, 1 officer (Mr. Loggie) and 4 men. We returned to the Castle about 7 o'clock.

14. I had the King's quarter of the town set on fire, and mean to complete its destruction by blowing the houses down as soon as it can be properly arranged.

15. The women and children from all quarters are in the fort in very great numbers with their stores; but I am endeavouring to clear as many away as possible, in order to secure our people from sickness, who are all well at present.

16. I wish to bring to the notice of your Excellency the very valuable services rendered by Surgeon-Major Rowe and Mr. Loggie during the whole of the operations.

17. Nothing more has been seen of the Ashantees up to the present time, but I am keeping a good force in preparation for any further service that may be required.

18. Major Lazenby, with about 100 volunteers, joined last evening, and I have kept them. Major Lazenby will be much required at present, and also Captain Despard, Mr. Loggie being wounded, and the other officers having more to do than they should have on the very poor food that this Castle affords.

19. As for myself, I must remain here for the present, as it is of the utmost importance.

20. Had it not been for the kindness of Captain Fremantle in temporarily lending me the assistance of his own Clerk, an Assistant Paymaster, R.N., I should have had very great difficulty in communicating with you in the midst of the incessant calls upon my own time.

21. Commissary Marsden is most welcome here, his services being absolutely indispensable, especially in consequence of the sickness of the Fort Commandant.

22. A number of Cape Coast volunteers have just now arrived (1.30 P.M.) from many quarters, who are pillaging the loyal portion of the town; so I have directed all to be marched home, except a small portion of them who are more trustworthy.

I have, &c.

(Signed) F. W. FESTING, *Lieutenant-Colonel, R.M.A., Commanding Troops.*

His Excellency Colonel Harley, C.B.,
Administrator-in-chief, Cape Coast Castle.

P.S.—The mail left before I had any chance of communicating with Lord Kimberley direct.

Inclosure 2 in No. 1.

Proclamation.

Martial law having been proclaimed within and throughout the town of Elmina, and the surrounding districts where the Ashantees have entered:

Be it known to the inhabitants of the King's quarters of Elmina Town, that all arms and munitions of war are to be delivered up at the gate of Castle of St. George, between the hours of 7 and 9.

To notify the time to the people, two guns will be fired from the Castle of St. George, the first as a warning gun, the second two hours afterwards; after which time should the arms, &c., be not willingly delivered up as desired, forcible measures will be adopted to seize them.

All women, children, and unarmed men, will have every protection.

FORT ST. GEORGE, ELMINA, *June* 13, 1873.

(Signed) E. R. FREMANTLE, *Captain, R.N., Senior Naval Officer.*
F. W. FESTING, *Lieut.-Colonel, Commanding Troops.*

Inclosure 3 in No. 1.

Proclamation.

The inhabitants of the King's quarter having failed to comply with the order published this morning relative to the delivery of arms and munitions of war:

We hereby give notice, that we will allow one hour from this time for the remaining unarmed inhabitants, women, and

children and the sick, to be taken out of the town unmolested, after which time we shall, without further notice, commence to destroy the town.

Dated at Elmina, Fort St. George,
13th day of June, 1873, at 10.30 A.M.
(Signed)
F. W. FESTING, *Lieutenant-Colonel, Commanding Troops.*
E. R. FREMANTLE, *Captain, R.N., Senior Naval Officer.*

Inclosure 4 in No. 1.

THE CASTLE, CAPE COAST, *June* 16, 1873.

Sir,—I have the honour to acknowledge your report on the operations at Elmina, which I received last evening.

2. I have read with much satisfaction the just punishment which has been inflicted upon the disloyal and disaffected Elminas, by the destruction of the King's quarter, as also the result of your successful and spirited action, and in the afternoon when the Ashantees again came on and attacked in force.

3. I rejoice to think that the casualties of the united forces engaged should have been so small, while the enemy have suffered severely.

4. The active co-operation of Captain Fremantle, with the seamen and marines of Her Majesty's ships at Elmina was most valuable, and assisted very materially to the complete success which your plans, in concert with him, achieved.

5. You appear also to have given sufficient time for the people to deliver up their arms, but which as they evidently had no intention of doing, further parley was useless. I therefore approve of the steps which you took in conjunction with Captain Fremantle, for making known to the inhabitants the proclamation of martial law, as conveyed in the notices which you issued and published to the inhabitants of Elmina.

6. With reference to the complete destruction of the King's quarter of the town by blowing the houses down, I beg that you will not destroy any property which may remain standing of loyal people now reported to have been resident there, but of whom I had no previous knowledge; accurate information on this point can perhaps be had from the Acting Civil Commandant.

7. I apprehend that the Colonial Hospital might be occupied with advantage by the women and children who have sought refuge in the forts, and thus give you the increased space you

require for your own men, and that they should have a guard for their protection from the Garden quarter, which I understand is held by Houssas. The Acting Civil Commandant would make any arrangements of this nature which you may desire.

8. I remark with pleasure the very valuable services rendered by Surgeon-Major Rowe, Colonial Surgeon, and Mr. Loggie, Acting Inspector-General of Police, in charge of the Houssas during the whole of the operations, and I regret to find that the latter officer is wounded. I am glad also to find that the Volunteers, under Major Lazenby, whom I despatched to your assistance, will be serviceable; the arrival and services of Captain Despard and Commissary Marsden seem to have been opportune, and will be useful.

9. I regret to observe that some of the Cape Coast people have been pillaging the loyal portion of the town; it is of importance that you take immediate steps to put a stop to such proceedings.

In conclusion, I have to require that you and Captain Fremantle will accept the thanks of this Government for the very prompt and efficient service which you have so far rendered.

I have, &c.,
(Signed) R. W. HARLEY, *Colonel,*
Administrator-in-chief.

Lieutenant Colonel Festing, R.M.A.,
Commanding Troops, Elmina.

P.S.—A copy of your Report will be submitted to the Secretary of State.

R. W. H.

Inclosure 5 in No. 1.

ST. GEORGE D'ELMINA, *June* 17, 1873.

Sir,—I have the honour to acknowledge the receipt of your letter of the 16th instant, and to express my gratitude for the satisfaction you express therein.

2. With reference to paragraph 6, I beg to inform you that from inquiries which I have made relative to the various houses in the King's quarter of this town, with the view of ascertaining if there be any which belong to loyal people, it is my opinion that there is no sufficient reason why any distinction should be made between one householder and another.

3. I beg, therefore, to suggest to your Excellency that as it has already been fired, and that, almost without exception, the bare walls alone remain, it would be advisable to raze the whole of it at once to the ground.

4. The loyal quarter being left, this example would demonstrate to the disaffected people the determination of the British authorities to protect the loyal, but to chastise with sure hand the faithless and treacherous.

5. I would also remark that the houses of this quarter of the town are within pistol shot of the Castle walls, too near for its proper defence, and for its sanitary condition.

6 The site thus afforded would enable your Excellency greatly to improve the town of Elmina, which, from its naturally powerful defensive position, its greater distance from the bush, and vastly superior landing place, is a more advantageous port than that of Cape Coast Castle.

I have, &c.

(Signed) F. W. FESTING, *Lieutenant-Colonel,*
Commanding the Forces on the West Coast of Africa.

His Excellency Colonel Harley, C.B.,
Administrator-in-chief, Cape Coast Castle.

Inclosure 6 in No. 1.

THE CASTLE, CAPE COAST, *June* 19, 1873.

Sir,—I have the honour to acknowledge your letter of the 17th instant, and to inform you that I concur with you as to the expediency of levelling the bare walls which remain in the King's quarter of Elmina, after the recent destruction of the town.

I have, &c.,

(Signed) R. W. HARLEY, *Colonel,*
Administrator-in-chief.

Lieutenant-Colonel Festing, R.M.A.,
Commanding Troops, Elmina.

Inclosure 7 in No. 1.

HEAD-QUARTERS, THE CASTLE,
ST. GEORGE D'ELMINA, *June* 19, 1873.

Sir,—I have the honour to inform you that about forty or fifty arms belonging to people in the disaffected quarter of the town of Elmina were brought to the Castle yesterday.

The second King with sixteen Chiefs took the oath of allegiance (the documents of which I inclose) yesterday.

The remaining seven Chiefs, three of whom are wounded, were absent.

I explained to them that I could hold out no hopes of their being allowed to occupy their houses as before, which most probably would be levelled to the ground.

I told them that I would report the circumstances to your Excellency, and that I had no doubt they would be permitted to have some suitable site to build upon elsewhere. I asked if they would be true to our flag even against the Ashantees. They first replied that they would, but they had never fought against them.

But, on my putting before them the supposition that should the Ashantees come into this town to attack us, and asking them, in this case, which side would they take, they said they would join us against the Ashantees.

I promised them nothing; and the general tone of their expressions, which they yesterday [*sic*] more than once, was that they would trust to us.

I have, &c.,

(Signed) F. W. FESTING, *Lieutenant-Colonel, R.M.A.,*
Commanding the Troops on the West Coast of Africa.

His Excellency Colonel Harley, C.B.,
Administrator-in-chief, Cape Coast Castle.

Inclosure 8 in No. 1.

Declaration.

FORT ST. GEORGE, ELMINA, *June* 18, 1873.

I do solemnly swear that I will be faithful and bear true allegiance to Her Majesty Queen Victoria, her heirs and successors, according to the law.

So help me God.

(Signed) QUACOE ATTAH, his ⋈ mark.
QUOW DOOATSIE COFFEE, his ⋈ mark.

[We omit the remainder of a long list of signatures.

Declared this 18th day of June, 1873.

Before us,

(Signed) H. T. O'REILLY, *Acting Civil Commandant.*
F. W. FESTING, *Lieutenant-Colonel Commanding Troops.*

Inclosure 9 in No. 1.

THE CASTLE, CAPE COAST, *June* 19, 1873.

Sir,—I have received with much satisfaction your report of the second King and sixteen of the Chiefs of Elmina having come in and taken the oath of allegiance.

I make no doubt the remainder will soon follow their example.

I think the course you adopted is the proper one in dealing with these Chiefs, in making no promises whatever; at the same time, I would recommend every disposition being shown to demonstrate the good will of the Government to those who have been loyal and deserving.

I have, &c.,
(Signed) R. W. HARLEY, *Colonel,*
Administrator-in-chief.

Lieutenant-Colonel Festing, R.M.A.,
Commanding the Forces, Elmina.

Inclosure 10 in No. 1.

HEAD-QUARTERS, THE CASTLE OF ST. GEORGE D'ELMINA,
WEST COAST OF AFRICA, *June* 18, 1873.

Sir,—I have the honour to report that, on the arrival of Her Majesty's ship 'Barracouta,' with a force of 5 officers and 104 men of the Royal Marine Artillery and Royal Marine Light Infantry, under my command, it was urgently considered necessary in the threatened state of affairs on the coast, that this force should be immediately landed. The disembarkation therefore took place on the morning of Monday, the 9th instant, with every success; although, from the violent state of the surf, the greatest caution had to be exercised.

2. Upon my arrival at Cape Coast Cast'e, being Senior Military Officer on the station, the command of the troops fell into my hands accordingly from the 9th instant.

3. From what I had learnt on the passage out, through the kindness of Lord Kimberley, concerning the state of affairs on this coast, and after communicating on the subject with his Excellency Colonel Harley, C.B., Administrator-in-chief, in concert with Captain Fremantle, the Senior Naval Officer, the conclusion arrived at was, that Elmina should be the base of operations, as it was, without doubt, assailed by the Ashantees.

4. Accordingly, on the 10th instant, we came to this place.

I may here remark, that the disturbed state of affairs was so great, that it was then considered doubtful whether the road between Cape Coast Castle and Elmina was open.

5. On our arrival, from information received and which had been previously reported upon, we found that the inhabitants of the King's quarter of the town of Elmina (which is separated from the loyal portion by river) were disaffected, and had acted treacherously towards us, by affording support to the Ashantees during their invasion, by supplying them with stores of various kinds. After having gone some little distance into the country to reconnoitre, we returned to Cape Coast Castle, for the purpose of deliberating with the Administrator upon the advisability of disarming the inhabitants of the disloyal quarters of the town.

6. On the 12th instant his Excellency held a Legislative Council upon the subject, at which both Captain Fremantle and I were present. After due consultation, it was unanimously decided martial law should be proclaimed in the town of Elmina and surrounding districts entered by the Ashantees.

7. Upon this I left Cape Coast, accompanied by a small force, by road, at midnight, with the document for proclamation of martial law.

8. Captain Fremantle and I had arranged our plans, which were to surround the disaffected quarter at daylight, and after putting the place under martial law, summon the people to deliver up their arms at the north gate of the Castle.

9. I arrived in the Castle before daylight, having had much less difficulty in crossing the Sweet River, which cuts the road between Cape Coast and Elmina (a distance of about eight miles), two miles from the latter place, than I had on my return journey from this place, when the depth of the water at the ford was so great that our party had to wade and swim.

10. At 5.30 on the morning of Friday, the 13th instant, the disaffected quarter was surrounded on the river side by boats from Her Majesty's ships, and on the land by a force of Houssas.

11. Martial law was proclaimed, and orders were issued to take all arms, but otherwise to molest no one, and to fire only on being attacked.

12. About 6 A.M. Captain Fremantle joined me in the Castle, and from that place we conducted the proceedings.

13. We issued proclamation to the people, and held two discussions at different times with the Chiefs and head people

who came to meet us, and who evidently wished to do all in their power to persuade us to postpone our intentions by various modes of deception.

14. Before long we brought the matter to a crisis by giving the people one hour to attend to our commands or to have their town destroyed. This concession was attended by no more favourable result than before. Wishing to leave no stone unturned to invite them if possible to listen to reason, to become loyal and obedient people, we again deferred another half hour, at the end of which time (about noon), no arms from that quarter having arrived, we opened fire with artillery all round the disaffected quarter for the purpose of destroying the town. The town being in flames in several places, we discontinued our bombardment in about a quarter of an hour.

15. About this time movements of armed men were discovered at various parts of the surrounding hills, and a report came from Fort St. Jago (a fine elevated fortress commanding the approaches to the north of the town) that a large body of Ashantees were advancing to the support of their Elmina friends. Some skirmishing in the bush and plain at the back of the town was now going on, the enemy having been the first to fire. Ascertaining personally the truth of this report, I at once determined to take the field with all the available forces at hand, after providing for the safety of the Castle and other outposts.

16. From the moment we took the field, and any of his own men were landed, Captain Fremantle, R.N., with largeness of heart and mind most unreservedly placed them under my orders, at the same time coming himself and adding his valuable services. This step put matters on a good footing, and allowed of no divided directions.

17. We advanced along the beach to the back of the town, and when clear of a cactus grove and some rough hillocks of thick bush through which dense cover numbers of armed Elminas had eluded our line of sentries, which had been augmented with all the means in our power, to a spot which afforded space to deploy, we formed line in rear of the skirmishers and advanced in extended order to their support, continually advancing and firing till we drove the combined enemy into the utmost confusion, disorder, and riot, leaving some twenty dead behind them.

18. The enemy on this occasion at first kept up a well supported fire and held their ground, at one time even threatened

our flank; but having observed this movement it was met by a corresponding change of front and advance, which concluded the effect already described. This took place near a village called Impinnie. A flag was captured by two men at the same moment, a marine artilleryman and a Houssa, which to appease them was divided equally, each man being satisfied with half.

19. The enemy having totally disappeared, we collected the forces and returned to the Castle.

20. Soon after the men had been broken off to take a little rest after their many hours of constant employment, another report came from St. Jago Fort that the Ashantees were advancing from a northerly direction upon the loyal quarter of the town. Having personally satisfied myself of the truth of the report, and that the Ashantees were in great force close to the Garden outpost, the general assembly was sounded and the available forces marched up to the outpost, after providing for the defence of the bridge which is the regular approach to the Castle. From Java Hill everything could be kept in hand, and I was able to watch matters and collect forces under cover, while the enemy was unconsciously advancing close by.

21. Most of the boats of the squadron had returned to their ships, but those of the 'Barracouta' remained. The men from these boats immediately landed under Lieutenant Wells, R.N., and were placed at my disposal. Mr. Loggie, Acting Inspector-General of Police, with the Houssas, a very dashing body of irregular infantry, armed with the Snider rifle, was there directed to advance, supported by Lieutenant Quill, R.M., with a force of Royal Marine Artillery and Royal Marine Light Infantry and some of the 2nd West India Regiment. They engaged the enemy very determinedly, but their number was small as compared with the Ashantees, whose force was estimated at between 2,000 and 3,000 men.

22. At this moment the Ashantees were holding their ground with their main body, which was assembling *en masse*: the two steel 7-pounder guns ordered for us, but which had not arrived from England, would have now done great service. They tried with great dash to turn our right flank, but at this opportune moment Lieutenant Wells, R.N., with his small-arm men, met them at the right spot, checked them, and thwarted their intentions. Those who had attempted this feat fell back in haste. Seeing that our flank was secure, and that the enemy had staggered from the rapid fire pouring in from the Snider on all sides, I directed the advance of the whole line, which drove the enemy back with great loss.

They continued their retreat in an orderlike manner, keeping up a hot fire, and showed a remarkably steady front from time to time, although their ranks were being continually thinned.

Our advance continued to the edge of a thick bush at a distance of about three miles from the town. Here the Ashantees made one more stand as a final attempt, but it was of no use, they were mown down. After a short time they gave up and rushed away in full retreat, confusion, and precipitation, leaving about 200 dead on the field, amongst whom were four out of their six Chiefs, the nephew of the King of Ashantee (the General in command) being one.

23. As it was becoming dusk, and I wished to preserve intact, if possible, every individual of this little force, I here sounded the 'halt' and returned to the Castle.

24. This engagement took place near a village called Achimum.

25. I beg leave to express my best thanks to Captain Fremantle and his officers and men for the great assistance they have rendered in these engagements. May I venture to add my admiration of the personal gallantry displayed by him when cheering on his men within pistol-shot of the enemy.

26, 27. I have already reported the services of Surgeon-Major Rowe, and Mr. Loggie, of the Police, to his Excellency Colonel Harley, C.B. (being Colonial Officers); but I must report that, as a first-rate leader of that stern body of men, the Houssas, it would be impossible to excel Mr. Loggie in courage and dash.

28. Lieutenant Allen, R.M.A., had general charge of the Artillery of the Castle, and deserves much credit for the manner in which he prepared the batteries, with the very poor means at his disposal.

29. Lieutenant Quill, R.M.L.I., skirmished his men with great alacrity, and merits much praise.

30. Surgeon-Major Rowe, who acted in more capacities than those of his own profession, rendered valuable assistance on all occasions.

31. Surgeon McDermott, R.N., was most indefatigable in giving help to those in need.

32. Lieutenant Bourke, R.N., had command of the Naval Brigade at the first engagement, which rendered excellent service.

33. Lieutenant Wells, R.N., who was out on both occasions, particularly distinguished himself by the spirited manner in

which he brought up his men to the support of our right flank in the second engagement.

34. The services of Captain Turton, 2nd West India Regiment, were unfortunately lost to us, he having been down with fever.

35. A flag, a Chief's stick, and many arms fell into our hands at the last engagement. The arms are old flint-lock muskets, and one of them which is in my room is marked 'London,' and has the Tower proof upon it. There is also a girdle, containing two knives from Sheffield.

36. An Ashantee deserter, a very intelligent young man, informs us that the men we attacked were considerably more than 3,000.

37. In conclusion, may I venture to hope that, as hitherto we have preserved the loyal portion of the town, destroyed the treacherous quarter, and given a lesson to the Ashantees which they cannot easily forget, we have, so far, demonstrated the advantages there are in British protection, and the responsibility incurred by those who are faithless and inimical, in such a manner as to merit your valuable approbation, as well as that of his Excellency Colonel Harley, C.B., Administrator-in-chief of the Government on this coast, which we have already received, and from whom we have had every assistance.

I have, &c.

(Signed) F. W. FESTING, *Lieutenant-Colonel, R.M.A., Commanding the Troops, West Coast of Africa.*

To the Right Hon. the Secretary of State for War, London.

Inclosure 11 in No. 1.

List of Killed and Wounded.

[We do not quote the List.]

No. 2.

Colonel Harley to the Earl of Kimberley.—(*Received July* 14.)

THE CASTLE, CAPE COAST, *June* 23, 1873.

My Lord,—From information which Colonel Festing received at Elmina to the effect that Cape Coast would be attacked during the present week, he came over here yesterday to confer with me, and Captain Fremantle comes to-day: this intelligence

they received from an E'mina man who had been in the Ashantee Camp, and who professed to have heard something of their intended movements. The spies who are employed by the Government bring in news two or three times daily, but it is difficult to make out from them anything of the definite plans or intentions of the enemy.

2. The Ashantees have, however, concentrated their forces at Effootoo which is about an equal distance from Elmina and Cape Coast, and so far as numbers go, it wou'd appear that they are strong enough to divide their forces and attack both Elmina and Cape Coast at the same time, not that I think they will do so.

3. A prisoner who had escaped from the Ashantee Camp during the night of the 20th instant, reported that he heard the Captain, to whom he had been handed over as a slave, say, that the King was coming down to join his army and that he had already left Coomassie, but had not yet crossed the Prah, and that the King has sent down 900 ounces of gold-dust to be distributed amongst his Captains.

4. A report brought up by Her Majesty's ship 'Seagull' from Axim, states that Atjiempon has been defeated in Appolonia by the King's troops and has retreated on the main body at Effootoo, but I have no report of this from the Civil Commandant at Axim, nor any confirmation of it whatever. I therefore submit it to your Lordship for what it is worth.

5. I am thankful to be able to report to your Lordship that, although the advance of the Ashantees into the Windward districts has naturally created much excitement, there has been no rising of the people against Her Majesty's rule except at Elmina and its villages, although the Ashantees have sent messengers into the Ashantee country and have endeavoured to induce the people to join them. The Secondees and Chamas are the most disaffected, but even they have made no movement against the Government.

6. The forts at Secondee and Dixcove, which are occupied only by a detachment of armed police under the Civil Commandants, have been provisioned, and received a reserve supply of ammunition, and I have requested the Senior Naval Officer to keep a ship cruizing on the Windward Coast, to communicate frequently with the Civil Commandants, and to afford protection and aid if necessary. I trust these arrangements will have your Lordship's approval. I have, &c.,

(Signed) R. W. HARLEY, *Colonel,*
Administrator-in-chief.

No. 3.

Captain Fremantle to Commodore Commerell.

'BARRACOUTA,' OFF FORT ST. GEORGE,
ELMINA, *June* 17, 1873.

Sir,—I regret much that, owing to the master of the mail steamer 'Calabar' having only waited at this port about half-an-hour, when he had promised to remain several hours, it was impossible for me to forward the general letter of proceedings which I had ready by that opportunity.

During the half-hour the 'Calabar' remained here, on the 13th instant, a smart action was going on with the Ashantees; she had not arrived when it commenced, and she had sailed before we returned to the forts.

2. On the 10th instant I took Lieutenant-Colonel Festing in Her Majesty's gunboat 'Decoy' to this place.

3. The information which we received here, pointed to a large body of Ashantees being in the bush close at hand, and it was reported to be even dangerous to move from one fort to another; and not only from native reports, but from the personal observation of the military commandant as well as of Commander Percy P. Luxmore, we ascertained that the inhabitants of the King's portion of Elmina, which abuts on this fort, and who have been always more or less unfriendly, were actively assisting the Ashantees with arms and provisions under our very eyes, and it was expected that these Elminas would join the Ashantees in any attack that might be made.

4. On our return we communicated with Colonel Harley, but, owing to the difficulty of landing and other delays, it was not till the 12th instant that it was decided at a Council, which we attended, presided over by Colonel Harley, to disarm the disaffected Elminas after proclaiming martial law.

5. Colonel Festing and myself decided to effect this by surrounding the disaffected district and summoning the people to deliver up their arms, and this we resolved to do at daylight the following morning.

6. The scene of operations is a narrow peninsula with Fort St. George at the eastern extremity, the small River Beyrah forming the north side, and the sea the south side.

I proposed to guard the river with a string of boats, as well as to prevent any escape by the sea, while Colonel Francis W. Festing marched some marines from Cape Coast Castle to man the guns and reinforce the garrison at Elmina, and assist in guarding the exit to the west of the village.

7. The operation of effecting a successful entrance into the river is one not unattended with difficulty, but the tide was suitable, and the surf is not often dangerous.

8. The ships at my disposal were the 'Barracouta,' 'Seagull,' 'Decoy,' 'Druid,' 'Argus;' the two latter being at Elmina. The requisite orders had been issued the previous day in readiness for this operation, and at a quarter to five o'clock on the 13th the boats of the whole of the ships were off Elmina, manned and armed (the boats of the 'Barracouta' and 'Seagull' having been towed in by the 'Decoy'), and were pulling into the river under my personal superintendence in the following order:—

Gig of 'Decoy,' under Lieutenant-Commanding John Hext whom I ordered to lead in consequence of his accurate local knowledge.

Boats of 'Barracouta,' in charge of Lieutenant Lewis F. Wells.

Boats of 'Druid,' in charge of Lieutenant Edmund G. Bourke.

Boats of 'Seagull,' in charge of Lieutenant W. Marrack.

Boats of 'Argus,' in charge of Lieutenant Gordon C. Young.

It was just daylight, a little before 5.30, when the first boat successfully shot the small bridge over the river, and in ten minutes' time the river was effectually blockaded, the larger boats being anchored by the stern in line, the gigs remaining under weigh.

At the same time the steam-pinnace of the 'Barracouta,' accompanied by the 'Decoy's' cutter, under Navigating Lieutenant Albert R. Wonham, took up their stations on the sea-side to prevent any escape through the surf.

I then repaired to the fort to take the requisite steps with Colonel Festing for enforcing our demands, leaving Lieutenant Bourke, of Her Majesty's ship 'Druid' in command of the boats.

9. A proclamation of martial law was immediately issued, followed by two others, the first of which required the delivery of arms in two hours, and the second, issued at 10.30, gave one hour for the removal of women, children, and unarmed men, after which, should the arms not be given up, the town would be bombarded. We could see many armed men in the town, and some of the chiefs came with excuses (it was evident that the intention was to gain time), but no arms at all were delivered up, and at a little past noon, having reinforced the

Houssas with twenty marines from the boats, and some men of the 2nd West India Regiment, so as to guard more effectively the narrow neck of land to the west of the village, we ordered the bombardment to commence from Fort St. George and the boats. This continued for twenty minutes, till the rockets from the boats had set the town on fire in several places, with no answer except a few stray shots from small arms, and we then saw that a large number of armed men were escaping through the Houssas, as we heard afterwards, by making for the bush through the prickly pear or cactus scrub, where it was difficult to follow them. Orders were immediately sent to the Houssas and marines to follow them; the Elminas commenced firing, and a smart skirmish ensued, which we could plainly see from a commanding position in Fort St. Jago.

10. We then saw a large body of Ashantees, probably 2,000 strong, streaming along the side of the bush, and extending their right rapidly towards the sea, so as to lend assistance to their Elmina friends, and we immediately decided to take the field in support of our skirmishers.

11. Leaving only boat-keepers and enough men to fight two boats' guns in the boats, the naval forces were all landed at the bend of the river, and formed five companies, under Lieutenants Bourke, Moore, Wells, Young, and Marrack; and leaving Commander Luxmore in charge of the boats, I placed myself with our Naval Brigade unreservedly at the disposal of Colonel Festing, who had marched from the fort with his whole available force.

12. A desultory action ensued, chiefly along the sea-shore, the Ashantees showing considerable fight, but they retreated rapidly before the advance of our skirmishers, aided by some rockets from the boats outside the surf, and at about 2 P.M., the heat being intense, the enemy being pushed beyond Impini, a village of very bad repute, some three miles from Elmina, where a Dutch flag was taken by a marine of Her Majesty's ship 'Druid,' and the Ashantees being in great force on our right, Colonel Festing ordered a halt to be sounded, and by 3 P.M. we had returned to the fort, having, as we supposed, taught the Ashantees a severe lesson.

The loss of the enemy in this engagement may be calculated as amounting to between twenty and thirty men.

13. The boats' crews then had their dinners, after which I ordered them on board their ships, and they had all left the river by five o clock except those of the 'Barracouta' and Lieutenant

Bourke's gig, when a message arrived that the Ashantees were advancing in large numbers on the line of Effootoo, with the intention of attacking the eastern or loyal portion of Elmina.

14. All our available forces were immediately brought into the field, and directing Lieutenant Wells to land and advance on our right, I pushed on with Lieutenant Bourke and our two boats' crews with Colonel Festing.

15. The enemy came boldly along the plain, which we rather encouraged by not showing ourselves, and when we arrived at a small fort called Java Hill on the outskirts of the village at 5.45, we found ourselves hotly engaged with their skirmishers, with their main body massed at our feet. The Houssas skirmished with their usual aptitude, but the enemy outflanked us considerably on our right and we could not advance.

16. At this time the 'Barracouta's' men came up on our right, and Lieutenant Wells saw our opponents, who were too busily engaged with us to observe his approach. He extended his men in skirmishing order and quickly drove their skirmishers out of a large garden, where they were establishing themselves, and advanced to the shelter of a wall about four feet high, from which he poured a heavy fire into their retreating skirmishers and their main body, which was then massed on the plain. The enemy was outflanked and staggered by this unexpected attack, when Colonel Festing ordered a general advance, and a running fight ensued across the salt plain (the enemy attempting to make a stand occasionally) past a village called Achimum, till they were completely defeated and driven into the bush, leaving the plain strewed with their dead.

17. It was then getting dark, our men were dead tired, and we decided to return to the town, the seamen being re-embarked.

18. That this action has given the Ashantees a most severe lesson, I can have no doubt; their loss in killed only amounts, by their own account and our computation, to at least 200. They attacked boldly and skilfully, their forces numbering some 3,000 men, yet they lost four Chiefs out of six engaged, and were quite unable to inflict any corresponding loss on ourselves. On this occasion, too, we had no time to bring field guns or rockets to bear upon them, and all the destruction is due to the Snider.

19. They have not been seen since, and I do not believe they will dare to face Englishmen again, at least in the plain. We have taken two colours which the Ashantees prize highly, and

they were intended, we are told, to replace the British flag on Fort St. George.

20. I have every reason to be pleased with the aptitude and gallantry displayed by the officers, seamen, and marines under my command, but I would wish specially to bring to their Lordships' notice the conduct of Lieutenant Edmund G. Bourke, Senior Lieutenant of Her Majesty's ship 'Druid,' who carried out my orders with a zeal, an alacrity, and a readiness of resource, which I cannot too highly praise, and I trust that such conduct, when combined with all the good qualities of a seaman and an officer, will not fail to meet with its due reward.

21. Lieutenant Lewis F. Wells' conduct in the action speaks for itself; I can only add that he showed great skill and decision, as well as gallantry. That the fire of his men was well directed is proved by the number of the enemy's dead in front of the garden; and this is the second time during the short period of the ship's commission that he has found opportunity of displaying his good qualities conspicuously.

22. I had appointed Dr. Francis H. Moore, Staff Surgeon second class of this ship, to be in medical charge of the expedition, and his suggestions to me proved most valuable, whilst, although technically a non-combatant, he did not shrink from being well to the front and under fire, ready to attend those who were wounded.

23. I would also wish to mention Mr. Edmund Hickson, Assistant-Paymaster of this ship, who acted as my aide-de-camp, and who proved most useful in taking notes of the various occurrences.

24. I inclose a list of casualties in the fleet, which are small considering the loss inflicted on the enemy. The marine of the 'Barracouta' was killed whilst getting over the garden-wall I have alluded to. Besides the casualties mentioned in the inclosed list, the force sustained a loss of one private, West India Regiment, killed, one officer and two men of Houssas and two marines wounded, making a total in the combined forces of—

Killed—2 men.

Wounded—1 officer, 1 colour-sergeant, 2 Houssas, 2 marines, and 1 blue-jacket.

25. Every precaution that could suggest itself to Dr. Moore or myself was taken to preserve the health of the men engaged. They had quinine served out going and returning; and the sick

'ist of the squadron has not been increased in consequence of the expedition.

26. I am happy to be able to add, that I have found myself able to act with the most perfect cordiality with Lieutenant-Colonel Francis W. Festing, R.M.A., who unites with great care and precaution for his men a boldness and gallantry in action which has won my esteem and admiration.

27. This operation has received the support and approval of Colonel Harley, the Administrator-in-chief, who has conveyed his warm thanks to Colonel Festing and myself.

28. The marines of Her Majesty's ships 'Druid' and 'Argus' were landed on the 14th instant by Captain Blake to garrison Fort St. Jago, in consequence of a pressing request to that effect from Colonel Festing. The 'Druid' has since gone to Cape Coast Castle, being relieved at Elmina by the 'Barracouta,' and our marines have accordingly taken the place of the 'Druid's.' Every care will be taken to keep them in health by giving them distilled water, issuing quinine, &c.

29. It is my intention to-day to land the field-pieces and rockets from this ship and the 'Argus,' leaving them parked in the fort ready for service.

30. In conclusion, I trust that their lordships will view as satisfactory these operations. The result showed how accurate our information was as to good understanding stated to exist between the Elminas and Ashantees; and with the Elminas at our very gates the forts themselves were not free from danger.

31. The ships of the squadron are now employed transferring many of the stores and munitions of war from Cape Coast to Elmina, as they are urgently required here.

32. The latest information is to the effect that the Ashantees have not left this neighbourhood, but are forming a camp on Sweet River, at only a few miles from Elmina. The notorious Chief, Atchicinpon, is stated to be near Secondee with 3,000 men, and Her Majesty's ship 'Seagull' has been despatched with orders to render succour to that fort and Dixcove, which are urgently in want of provisions and munitions of war.

33. I now close this letter in order to send it to Cape Coast Castle, so as not to miss the mail.

34. Her Majesty's ship 'Decoy' has a duplicate of this Despatch to take to St. Helena, in accordance with your instructions to lose no time in communicating with you by outward bound Cape mail, should any active operations take place. She will then proceed to her destination as Senior Officer on the South Coast, in compliance with your previous orders.

35. The disposition of Her Majesty's ships under my orders is as follows :—'Barracouta' and 'Argus' at Elmina, 'Druid' and 'Merlin' at Cape Coast Castle, 'Seagull' visiting the ports on the Windward Coast, 'Bittern' and 'Pioneer' at Fernando Po, 'Decoy' on passage to St. Helena, 'Coquette' on passage to the Cape.

I have, &c.,
(Signed) E. R. FREMANTLE.

Inclosure in No. 3.

List of Casualties occurring amongst the Seamen and Marines landed at Elmina, June 13, 1873.

[The List, here omitted, concludes with the Total number landed, 304; and the Total number of casualties, 5.]

(Signed)
HAMILTON MOORE. *Staff Surgeon, Second Class, in Medical Charge.*
E. R. FREMANTLE, *Captain and Senior Officer.*

INDEX TO PAPER (B).

List of Papers.

Serial No.	Dates	Correspondents	Subject	Pge.
1.	June 23, 1873 (Rec. July 14)	Col. Harley to Earl of Kimberley (Eleven Inclosures)	Forwarding and commenting on inclosures of correspondence with and reports from Col. Festing and Capt. Fremantle, relative to the bombardment of Elmina, and subsequent conflicts with Ashantees.	
2.	June 23, 1873	Ditto to Ditto	General state of affairs in the Protectorate of the Gold Coast.	
3.	June 17, 1873	Capt. Fremantle to Commodore Commerell	Detailed account of the operations against Elmina and the Ashantees. The latter completely defeated.	

PRÉCIS OF PAPER (B).

Précis of Despatches on the subject of the Ashantee Invasion and Attack on Elmina.

No. 1. Colonel Harley, Administrator of the Gold Coast, wrote
to the Earl of Kimberley, forwarding several Inclosures
respecting the joint operations of Colonel Festing and
Captain Fremantle against the disloyal portion, or
Incl. 1. King's quarter, of Elmina and the Ashantees. Ample
time was given to the Elminas to deliver up their
Incl. 2, 3. arms, as demanded by the proclamations of martial
law; and the destruction of the King's quarter was
Incl. 10, 11. a just punishment of treachery. On the same day the
Ashantees tried to destroy the loyal portion of the
town, and were again severely punished.
Incl. 7, 8. Colonel Festing's report of the second King and
16 Chiefs having returned and taken the oath of allegiance
showed that they had resolved to be under
British rule, rather than pass over to Ashantee. The
main body of the Ashantees was now at Effootoo,
equally distant from Cape Coast and Elmina, and the
Cape Coast traders were in great fear; but as Elmina
was the point of attack, Colonel Festing and Captain
No. 2. Fremantle made it their head quarters. These officers
were privately told that Cape Coast would be attacked
that week; but Colonel Harley, though believing that
the Ashantee forces at Effootoo were strong enough to
attack both Elmina and Cape Coast at the same time,
No. 3. did not think they were likely to do so. A detailed
account of the operations against Elmina and the
Ashantees was given by Captain Fremantle, who
stated that 3,000 Ashantees, having advanced to attack
the loyal portion of Elmina, were completely defeated.

PAPER (C).

Correspondence on the Affairs of South Africa.

No. 1.

Administrator Sir T. Shepstone, K.C.M.G., to the Secretary of State. (Received April 20, 1878.)

PRETORIA, TRANSVAAL, *March* 12, 1878.

Sir,—I returned to the seat of Government from my prolonged absence on the Zulu border on Saturday last, the 9th instant, and was received with much appearance of loyalty and welcome by the inhabitants a few miles from the town.

2. I inclose for your information six copies of a proclamation, printed in the English and Dutch languages, which I have found it necessary to issue.

3. The preamble of the proclamation describes with more or less of accuracy the actual political condition into which the country has been thrown by the agitation that has been got up since the return of Messrs. Jorissen and Kruger from Europe.

4. I have every hope that the warning which the proclamation is intended to convey will produce a salutary effect; it will certainly support the loyal and quietly disposed inhabitants, and reassure the ignorant and timid, who, without such warning declaration, are easily alarmed and misled by mischievous and designing persons.

I have, &c.,
(Signed) T. SHEPSTONE,
Administrator.

The Right Hon. the Secretary of State
for the Colonies.

SUPPLEMENT TO THE TRANSVAAL GOVERNMENT GAZETTE.

Proclamation.

By His Excellency Sir THEOPHILUS SHEPSTONE, Knight Commander of the Most Distinguished Order of Saint Michael

and Saint George, Her Majesty's Special Commissioner for certain purposes in South Africa, and Administrator of the Government of the Transvaal.

Whereas the return from Europe of the Transvaal deputation has been made the occasion by designing persons of creating and fostering agitation and alarm, by imposing upon the credulity and ignorance of the quietly disposed inhabitants of this country, and of endeavouring by the illegal use or assumption of authority—such as the banding together of themselves into committees for the purpose of misleading the public and coercing individuals—false representations, threats of violence, and seditious utterances to cause disturbance in the land, and to bring misfortune upon innocent people:

And whereas it is my duty, as it also is my inclination and strong desire, by timely and friendly warning to prevent such misfortune from falling upon this country and its inhabitants; and whereas the Government has hitherto avoided all interference with the free expression of feeling on matters of public interest, whether expressed by words spoken, or written, or printed, even although in some cases these words have been calculated to disturb the public peace:

And whereas this forbearance appears to have been misunderstood by some, and to have been misrepresented by others, and a mischievous impression to have been created, that the laws of the country are ineffectual to secure quiet and orderly behaviour, and are incapable of awarding adequate punishment to disturbers of the public peace; and whereas it is necessary to set forth and proclaim, that the forbearance aforesaid has arisen—not from any doubt of the stringency or applicability of the law, or the power of applying it, but—solely from a consideration of the peculiar state of public affairs which has until lately existed, and from a sincere desire to avoid the appearance even of harshness towards the persons concerned; as will more fully appear from the fact that, although it was officially notified in the *Government Gazette* of August 4th, 1877, that the proclamations of the 12th April, 1877, had been confirmed by Her Majesty the Queen, and that, although this notification informed all Government officers and the inhabitants generally that the act of annexation had been formally and finally ratified, and they were legally bound thereby; yet, notwithstanding this, 'the Government took into its consideration the want of knowledge of official forms and usages that prevailed among the people,'

and also among some of the public officers, which ignorance had led them to believe that such decision could not be final and irrevocable, until declared so to be by the members of the deputation on their return to this country; and the Government therefore overlooked much that it might have taken serious notice of, and in deference to what it considered a natural but mistaken view on the part of certain of the people of this territory of the real state of the case, the laws of the country were not appealed to, or put in force, although the right of so appealing to and enforcing them existed and still exists :

And whereas these considerations have now ceased; and the deputation, hereinbefore referred to, has returned from Europe, and the members of it have, by written documents published by them, and otherwise—truthfully reported that the act of annexation is final and irrevocable. And whereas the Government would not be fulfilling its duty to the country by any longer exercising such forbearance; and whereas it is necessary to declare and make known that all attempts—whether by public meetings or otherwise—to unsettle and alarm the minds of the people, and all utterances calculated to disturb the public peace and the quiet of the country, and to create disaffection towards the Government—will be dealt with as the law directs, and that those who are found guilty of these and the like offences, will suffer and undergo the penalties which the law ordains :

And whereas one of the pretexts under which the evils and mischief aforesaid have been and are yet being done, is to obtain signatures to a memorial to Her Majesty's Government; and it has been represented to me by many persons and from different quarters that intimidation by means of threats of personal violence, confiscation of property, and even of death has been resorted to by those engaged in coercing others to sign the said memorial and other documents; although it is well known that whoever signs a document is responsible for the consequences which may result from such signature : And whereas the setting on foot of the said memorial and other documents was prompted by a spirit of sedition, and their professed object at the time known by those who prompted it to be unattainable : And whereas there is a possibility of many innocent people being made to suffer in consequence of the agitation that it has created and was intended to create : And whereas it is incumbent upon me, as representing the authority of Her Majesty's Government in this country, to protect, as far as it

may be in my power so to do, all peaceably disposed and loyal inhabitants from the injury to their persons and property, which believing in, and acting upon, the false and seditious representations aforesaid will inevitably bring upon them; and whereas it is the duty as well as the interest of every one in this country to discourage, and by every means in his power to repress this dangerous agitation:

Now, therefore, I do call upon, enjoin, and strictly charge all peaceably disposed and orderly persons to aid the officers of the Government in maintaining order, and in bringing to justice the seditious agitators who have endeavoured, and are still endeavouring, to mislead the people of the Transvaal to commit a breach of the public peace, and acts of sedition against Her Majesty's Government, thereby bringing serious misfortune upon the country and its inhabitants; and I do further hereby warn all such mischievous and evil disposed persons as may be found to be fomenting or instigating any such unlawful agitation, and who by threats, seditious words, whether spoken, written, or printed, or by any other means, are engaged in inciting the people of this country to acts of disloyalty, sedition, resistance to, or rebellion against the Government, that they are hereby made and held liable, and subject, under the law and this my proclamation, to imprisonment, fine, and such other and further punishments as the law may direct.

And I do also hereby make known that all meetings convened for seditious or any other unlawful purpose whatever, at which are proposed, discussed, or passed any resolution or resolutions aiming to weaken, resist, or oppose the power and authority of the Government, or to incite the taking up of arms by the people of this country against the said Government, or in any way whatsoever tending to disturb the peace of this country, are contrary to law. And I do warn all persons attending such unlawful and seditious meetings, and more especially the conveners thereof, and all such who by word of mouth or otherwise do encourage and incite to unlawful or rebellious acts such persons so met together, that they render themselves liable to the punishments and penalties set forth in the foregoing section of this my proclamation.

And I do hereby call upon and command all officers, civil and military, and more especially all landdrosts, justices of the peace, field cornets, and other officers of the law, to aid and strenuously exert themselves in the execution of the provisions

of the law and of this my proclamation, as they shall answer to the contrary at their peril.

God save the Queen.

(Signed) T. SHEPSTONE,
Administrator.

Given under my hand and seal, at Government House, Pretoria, this eleventh day of March, one thousand eight hundred and seventy-eight.

By his Excellency's command,
M. OSBORN,
Secretary to Government.

No. 2.

Aborigines Protection Society to Colonial Office.

17, KING WILLIAM STREET, CHARING CROSS,
April 6, 1878.

Sir,—I am requested by the Committee of the Aborigines Protection Society to inform you that their attention has been called to some recent proceedings of the Administrator of Griqualand which appear to them to call for inquiry. I refer to the treatment which the natives residing at Poquane have lately received at the hands of Major Lanyon. It is necessary to remark that these people consist of Batlapins, Baralongs, and a population made up of the fruits of intermarriages between various tribes, and that Poquane was given to them under Lieutenant-Governor Keate's award. They are subordinate to a petty Chief named Gasibone, whose character is said to contrast unfavourably with that of Mankoroane, his paramount Chief, whose position he has been for a long time past anxious to assume. Unfortunately a disputed boundary question exists between him and the British Government. He sets up a claim to various farms, the titles of which have been disposed of to British subjects, alleging that they are in his territory. It is admitted that he is a person of restless and turbulent character, and that he behaves badly to his own people.

The Administrator of Griqualand recently proceeded to make war on Gasibone with a force of 400 men, consisting of

mounted police and a large body of Zulus. When the Chief offered to meet the Administrator in order to settle the difficulty, the latter rejected the proposal, insisting that the settlement must be made at Poquane. Major Lanyon pushed on to this place, but when he arrived there, Gasibone had driven off all his own cattle, and had also himself taken refuge in flight.

On Gasibone's disappearance the Administrator, we are informed, ordered the Zulus to drive in all the cattle they could find; and in the end upwards of 400 were secured as spoil, brought into the Diamond Fields and sold, and the proceeds placed in the Treasury. It was not until this point had been reached that Major Lanyon, it appears, communicated with Mankoroane, the paramount Chief, whose first question naturally was, 'Why did you not do all this through me?' Probably Mankoroane was not unwilling that his rival should be punished; but nevertheless it seems extraordinary that the Administrator should have engaged in military operations against Gasibone without first consulting the paramount Chief.

But the point we are anxious to bring before you is the apparent injustice of confiscating the cattle of natives who were not in any way involved in Gasibone's proceedings. We are assured on trustworthy authority that they have been absolutely innocent of wrongdoing, and are in their present circumstances therefore entitled to the deepest commiseration. We learn that for a long time past they have been living on milk, and that in consequence of the dreadful drought which has visited the country, all their grain crops have failed them, and that unless help is forthcoming they will perish from starvation.

We earnestly hope that you will request his Excellency Sir Bartle Frere to make inquiry into these circumstances, and to take measures, if the facts be as alleged, to make restitution to the injured natives.

I have, &c.
(Signed) F. W. Chesson,
Secretary

The Right Hon. Sir M. E. Hicks Beach, Bart., M.P.,
Her Majesty's Principal Secretary of State for the Colonies.

No. 3.

Colonial Office to Aborigines Protection Society.

DOWNING STREET, *April* 20, 1878.

Sir,—I am directed by the Secretary of State for the Colonies to acknowledge the receipt of your letter of the 6th instant.

It appears to Sir Michael Hicks Beach that the Aborigines Protection Society must have been misinformed in some respects as to the facts connected with Colonel Lanyon's expedition against the Batlapin Chief Botlasitse. There is no doubt that Botlasitse had for some time previously been harassing and robbing Her Majesty's subjects, and that it had become necessary to show him that this conduct could not be overlooked, and would infallibly bring down punishment upon him. Colonel Lanyon's action was undertaken with this view, and appears to have been conducted most judiciously, and with perfect success. It has not been shown that any distress was caused among the natives by the fine of cattle, the infliction of which seems to Sir Michael Hicks Beach to have been proper, and in accordance with custom. I am further to observe that an application on Colonel Lanyon's part to Mankoroane to punish Botlasitse would, in Sir Michael Hicks Beach's opinion, have probably been useless, and in any event undesirable, since, if complied with, it must have resulted in a serious conflict between them, causing much bloodshed and distress.

A copy of your letter and of this reply will be communicated to the Governor of the Cape of Good Hope for the information of Colonel Lanyon. I am, &c.

(Signed) W. R. MALCOLM.

The Secretary to the Aborigines
Protection Society.

No. 4.

The Right Hon. Sir M. E. Hicks Beach, Bart., to Governor the Right Hon. Sir H. B. E. Frere, Bart., G.C.B., G.C.S.I.

DOWNING STREET, *April* 26, 1878.

Sir,—I have the honour to transmit to you herewith a copy of a Despatch from Sir Theophilus Shepstone, forwarding a copy

of a letter from Mr. Pretorius, in which he complains of the introduction into the Transvaal of arms and ammunition by natives coming from the Diamond Fields.

2. I have informed Sir T. Shepstone that I entirely concur with Mr. Pretorius in considering that the possession of arms by natives is fraught with much danger to the South African Colonies; and I cannot lose this opportunity of calling your attention and that of your ministers to the extreme importance of imposing all possible restrictions upon the trade both in the Cape Colony and in Griqualand West.

3. It is clear that, if all the South African States were to adopt a common policy in respect of this matter, the trade might be effectually controlled and confined within such limits as may be deemed advisable; and I shall therefore be glad to receive at your earliest convenience your observations on this subject, in order that Her Majesty's Government may be in a position to open negotiations with the Government of Portugal, so that a strenuous effort may be made to deal with the trade by common agreement.

4. In the meantime, I am of opinion that every endeavour should be made to enforce the existing regulations in Griqualand West and the Cape of Good Hope, or to supplement them, if necessary, by such restrictive regulations as can be made separately by those Colonies; and that the adoption of this course need not be delayed by the fact that there is not at present any common agreement about the matter.

I have, &c.,

(Signed) M. E. HICKS BEACH.

Governor Sir Bartle Frere, Bart.,
&c. &c. &c.

No. 5.

The Right Hon. Sir M. E. Hicks Beach, Bart., to Administrator Sir T. Shepstone, K.C.M.G.

DOWNING STREET, *April* 26, 1878.

Sir,—I have the honour to acknowledge the receipt of your Despatch of the 6th of February, forwarding a copy of a letter from Mr. Pretorius respecting the introduction into the Transvaal of arms and ammunition by natives passing from the Diamond Fields.

I entirely concur with Mr. Pretorius in considering that the possession of arms by natives is a source of great danger to the South African Colonies; and I have drawn Sir Bartle Frere's attention to the extreme importance of making a strenuous endeavour to repress the trade in arms in Griqualand West and in the Cape of Good Hope.

This end can be attained in some degree by putting in force the regulations which each State can make for itself. But for the effectual repression of the evil it would be very desirable that all the States of South Africa should *adopt a common* policy with regard to the trade. I request, therefore, that you will furnish me as soon as possible with your observations on this subject in order that negotiations may be opened with the Portuguese Government.

I have, &c.,
(Signed) M. E. HICKS BEACH.

Administrator Sir T. Shepstone,
&c. &c. &c.

No. 6.

The Right Hon. Sir M. E. Hicks Beach, Bart., to Governor the Right Hon. Sir H. B. E. Frere, Bart., G.C.B., G.C.S.I.

DOWNING STREET, *April* 26, 1878.

Sir,—I have the honour to acknowledge the receipt of your Despatch of 12th February, on the subject of the expedition undertaken by the Administrator of Griqualand West against the Batlapin Chief, Botlasitse Gasibone.

I have to signify my approval of Col. Lanyon's proceedings: and I request that you will inform him that Her Majesty's Government appreciate highly the able manner in which the expedition was conducted, and that you will instruct him to express the thanks of Her Majesty's Government to the Volunteers who came forward so readily to assist in this service.

I inclose for your information and for that of Col. Lanyon a copy of a letter from the Secretary to the Aborigines Protection Society, and of the reply which has been returned to it.

I have, &c.
(Signed) M. E. HICKS BEACH.

Governor Sir Bartle Frere, Bart.

No. 7.

Governor the Right Hon. Sir H. B. E. Frere, Bart., G.C.B., G.C.S.I., to the Right Hon. Sir M. E. Hicks Beach, Bart. Received April 29, 1878.

KING WILLIAM'S TOWN, CAPE OF GOOD HOPE,
March 23, 1878.

Sir,—I have the honour to inclose a copy of a Despatch which I have received from General Sir Arthur Cunynghame, containing his views on the present attitude of the Zulus, and suggesting routes by which troops might be moved, if necessary, either for the purpose of restoring confidence, or for carrying on active operations.

I have, &c.
(Signed) H. B. E. FRERE,
Governor and High Commissioner.

The Right Hon. Sir Michael Hicks Beach, Bart.,
&c. &c. &c.

Inclosure in No. 7.

From General Sir A. Cunynghame, K.C.B., to the Right Hon. Sir Bartle Frere, Bart., Governor and High Commissioner.

CAPE TOWN, *March* 15, 1878.

Your Excellency, Sir,—Difficulties have occurred in the eastern parts of Her Majesty's dominions in South Africa. A long standing grievance between Cetewayo and the Boers in regard to a land dispute to the east of the Blood River has lately assumed grave proportions in consequence of our annexation of the Transvaal, taking upon ourselves in a measure the part of the Boers.

This, and the difficulties which have been for years culminating on the north-eastern frontier of the Transvaal, renders the position of that Colony still more anxious.

There is a feeling also of uncertainty amongst the Boers as to whether the annexation is to their benefit or otherwise; and designing people (amongst the Hollanders and also amongst certain colonists from the Cape Colony and from Natal, speculators, &c.), frequently augment the uncertainties of the position.

The troubles which we have had in the eastern part of this Colony and of the Transkei, have unsettled the minds of the people, and it is impossible to say in what position further difficulties may not break out.

The unrepressed sale of arms throughout South Africa has brought to a head a desire not unnatural amongst the natives to regain their independence, which an opinion of their present equality with the white man has caused them to undertake.

It appears to me positively necessary that in this they must be undeceived, otherwise bloodshed and rapine will permeate South Africa from one end to the other.

To carry out the desirable result of making it clear to their minds that they *are* an inferior raçe, and must be guided by civilisation, it is necessary to put down all opposition to our arms within our own borders.

The efforts which have been used to conquer the Galekas, and to quell the rebellion amongst the Gaikas, I trust, will have the effect of terminating the war on the eastern frontier of this Colony, and this will no doubt have an excellent effect throughout South Africa.

But Cetewayo the Zulu is no doubt a powerful Chief, and is represented to have the best organised army in South Africa. Should he go to war with us, it would require great efforts to subdue him. A display of our power in this case may have its effects both with him and the other native Chiefs, and may be turned into a reality should it become absolutely obligatory.

With this view, as soon as it is practicable, it might be advisa le to march a nicely organised column from King William's Town to Pieter Maritzburg. This would impress upon Umkikelo the Pondo a sense of our power, which column from Pieter Maritzburg might operate by the way of the mouth of the Tugela against Cetewayo.

I consider Newcastle should be held, and mountain guns be at command there.

A great augmentation of mounted infantry I consider advisable, armed with carbine and revolver.

I believe it would be very advisable to organise a mounted militia from amongst the Dutch Boers in the Trans aal, calling them out at stated periods under some well organised but economical arrangement.

I believe that a mounted militia. under an effective but economical arrangement, could be raised under Colonel Weatherly, composed of Europeans, Hollanders, and *gold diggers: these*

measures would in my opinion create a great satisfaction in the Transvaal.

The Zulu police now in course of formation by his Excellency Sir Theophilus Shepstone under Captain Clarke will prove most valuable.

The increase of light field pieces, which I had intended for the Transvaal, I consider advantageous.

There is one other point, which I now propose to allude to. I consider that it would be very practicable, on first obtaining the permission of the Portuguese Government, to have an infantry force with two guns at Delagoa Bay, and to march them from thence by New Scotland into the Transvaal. In the month of July this could be done with very little danger to their health *under good management*. Both guns and baggage could be carried by porters to the confines of the Portuguese territory, where bullocks, or even horses at that season of the year, could be safely brought down to meet them.

This subject no doubt requires much consideration, but if carefully and successfully executed, it would have a marvellous effect upon the native mind.

Also a march of the Diamond Field Horse from Kaffraria through the Free States to the north of Natal, and from thence by Utrecht upon Pretoria, and thus returning home to Kimberley, would show the ability we possess of passing troops to any scene of danger, and the accounts of the marches of these bodies of troops, which might be simultaneously conducted, would have a great effect on South Africa generally.

The above-mentioned points I take the liberty of placing before your Excellency for your consideration. I do not pretend to recommend them, but allude to them as points which I should have placed before you had I remained in South Africa.

I have, &c.,

(Signed) A. T. CUNYNGHAME, *General.*

No. 8.

Colonial Office to Treasury.

DOWNING STREET, *April* 29, 1878.

Sir,—I am directed by the Secretary of State for the Colonies to transmit to you, for the consideration of the Lords Commissioners of the Treasury, copies of the correspondence which has

passed between the Governor of the Cape of Good Hope, the War Office, and this Department, on the subject of the expenditure incurred in South Africa in connection with the present military operations.

Their Lordships will observe that this Department has strongly insisted upon the obligation of the Cape Government to provide funds for operations undertaken solely to procure the safety and peace of the Colony; but on the other hand, Sir Michael Hicks Beach is well aware that the outlay already made from the Cape treasury has pressed very heavily upon a revenue which, in consequence of the war, droughts, and slackness of trade, has become inadequate to the ordinary charges of government; and he is of opinion that, for this reason, while maintaining the principle that the Colony are bound to repay the cost of the above-mentioned operations, it will be absolutely necessary to give the new Colonial Administration, which is devoting its best efforts to the organisation of a sufficient system of defence, liberal consideration both with regard to the amount to be refunded by it, and the time within which its contribution must be provided. I am, &c.,

(Signed) R. H. MEADE.

The Secretary to the Treasury.

No. 9.

The Right Hon. Sir M. E. Hicks Beach, Bart., to Governor the Right Hon. Sir H. B. E. Frere, Bart., G.C.B., G.C.S.I.

DOWNING STREET, *April* 30, 1878

Sir,—I have the honour to acknowledge the receipt of your Despatch of March 16, forwarding copies of the general order in which Sir Arthur Cunynghame took leave of the troops under his command, and of that of Lieut.-General Thesiger assuming the command.

I have also received with pleasure the extract of the letter from Mr. Sprigg which you inclose, and in which he expresses his sense of the cordial assistance which he had received from Sir Arthur Cunynghame in his endeavours to extricate the Colony from the difficulties with which he found it surrounded on his accession to office. I have, &c.

(Signed) M. E. HICKS BEACH.

Governor Sir B. Frere, Bart., &c. &c. &c.

INDEX TO PAPER (C).

Table of Contents.

No.	Date	From and to whom	Subject	Pge.
1.	March 12, 1878 (Rec. April 20)	Sir T. Shepstone to Sir M. Hicks Beach (One Inclosure)	Inclosing copies of a proclamation which he was obliged to issue on account of the popular agitation in the Transvaal caused by seditious movements since the return of the deputation from Europe.	
2.	April 6, 1878	Aborigines Protection Society to Colonial Office	Drawing attention to Major Lanyon's treatment of the natives in Poquane, by confiscating their cattle; and hoping that Sir Bartle Frere will investigate the matter.	
3.	April 20, 1878	Colonial Office to Aborigines Protection Society	Replying that the Society must have been partly misinformed, and that the Batlapin Chief's depredations seem to have been justly and properly punished. A copy of the Society's letter will be sent to Sir Bartle Frere.	
	April 26, 1878	Sir M. Hicks Beach to Sir H. Bartle Frere	Transmitting copy of Despatch from Sir T. Shepstone with Mr. Pretorius's complaint of the introduction of fire-arms and ammunition into the Transvaal by natives coming from the Diamond Fields, and urging that this dangerous trade should be at once restricted as much as possible by each of the South African States.	

Table of Contents—continued.

Table of Contents—continued.

PRÉCIS OF PAPER (C).

Précis of Correspondence on the Affairs of South Africa.

No. 1. A deputation from the Transvaal, having been sent to Europe to ascertain whether the annexation of the Transvaal was final and irrevocable, reported on their return that it was so. This gave rise to agitation, and some designing and mischievous persons tried to get up a memorial to Her Majesty's Government, and were using intimidation to extort signatures. The Administrator of the Transvaal, Sir T. Shepstone, found it necessary to issue a proclamation against all acts and utterances of disloyalty.

Nos. 4, 5. The Colonial Secretary having received a complaint respecting the introduction into the Transvaal of arms and ammunition by natives passing from the Diamond Fields, addressed the Governor of Cape Colony on the subject; remarking that such dangerous trade should be restricted as much as possible; that each State might make regulations for itself; but that the evil would be most effectually repressed if all the States of South Africa would adopt a common policy regarding it.

No. 2. The Aborigines Protection Society complained to the Colonial Secretary of Major Lanyon the Administrator of Griqualand's treatment of the Batlapins and

other natives residing at Poquane, subordinate to a petty chief Botlasitse Gasibone. He had a boundary dispute with the British Government, and set up a claim to various farms that had been disposed of to British subjects. Major Lanyon made war on Gasibone, who took flight from Poquane with all his cattle; and the Administrator then seized and sold 400 cattle of the natives as spoil. The Society hoped
No. 3. the matter would be investigated. The Colonial Secretary replied that the Society appeared to have been partly misinformed. Botlasitse had for some time been robbing British subjects; and the fine of cattle, which was a customary and proper penalty, did not seem to have caused any distress among the
No. 6. natives. He expressed to the Governor of Cape Colony his entire approval of Major Lanyon's conduct.

No. 7. A Despatch from General Cunynghame informed the Cape Government and the Colonial Office of his views on the present attitude of the Zulus, with special reference to a long-standing land dispute between the powerful Zulu king Cetewayo and the Boers—the annexation of the Transvaal making in a measure the British Government take part with the Boers. The General having lately resigned his command, suggested routes by which troops might be moved, if necessary, either for the purpose of restoring confidence, or for active operations.

No. 8. The Colonial Secretary now addressed the Treasury on the subject of the expenses of the present military operations in South Africa, stating that the Cape Government ought to provide funds to meet these expenses, but recommending that in consideration of its exertions, and its present difficulties and inadequate resources, it should receive a loan under easy terms of repayment.

PAPER (D).

Correspondence respecting the Purchase by Her Majesty's Government of the Suez Canal Shares belonging to the Egyptian Government.

No. 1.

The Earl of Derby to Major-General Stanton.

FOREIGN OFFICE, *November* 15, 1875.

Sir,—Her Majesty's Government have received information that a combination of French capitalists are offering to buy from the Khedive his interest in the Suez Canal; and that His Highness' difficulties are such that it is thought possible he may consent.

I have, therefore, to instruct you to ascertain whether there is any truth in this report.

I am, &c.,
(Signed) DERBY.

No. 2.

Major-General Stanton to the Earl of Derby.—(Received November 28.)

(Extract.)

CAIRO, *November* 18, 1875.

Your Lordship's telegram of the 15th instant referring to the report which had reached your Lordship as to the offer made by certain French capitalists to the Khedive with reference to His Highness' interests in the Suez Canal, reached me on the morning of the 16th instant, and I lost no time in making inquiries on the subject, and in reporting the result by telegraph.

Nubar Pasha being engaged all the morning with the Khedive, I was unable to see his Excellency till the afternoon, when I was informed by him of the offers made by the 'Société Géné-

rale' and by the 'Anglo-Egyptian' Bank, which I telegraphed to your Lordship the same afternoon.

I expressed to his Excellency my surprise that, on receipt of such a proposal, no intimation should have been made to myself for communication to your Lordship, as the Egyptian Government could hardly suppose that Her Majesty's Government would see with indifference the transfer of the Khedive's interests in the Suez Canal to any foreign Company, and I was satisfied His Highness would get better terms from England than from any other country should he wish to dispose of his shares.

Nubar Pasha replied to me that he did not believe that the Khedive would entertain the proposal for the purchase of his shares, though as it was absolutely necessary for him to procure from 3,000,000*l.* to 4,000,000*l.* sterling, he would be forced to accept the offer of the Anglo-Egyptian Bank.

I then begged his Excellency to see the Minister of Finance without delay, and to insist upon the suspension of his negotiations until I had communicated with your Lordship, which he undertook to do, and shortly afterwards informed me that the negotiations would be suspended until Thursday evening.

I immediately sought an interview with the Khedive, but was unable to see His Highness before 9 P.M., when I related to him the information I had received, and expressed my surprise at no intimation having been made to me of the offer he had received for the purchase of the shares, adding that His Highness was aware such a matter must be one of very great importance to Her Majesty's Government, who naturally regarded the possession of those shares by the Egyptian Government as an additional guarantee for the security of their communications through the Suez Canal.

His Highness assured me he had not thought seriously of the proposal, as he had no present intention of disposing of his shares, and asked me if I had any proposal to make, to which I replied that it was impossible for me to be prepared with a proposal, as I had not had time to communicate with your Lordship on the subject; and I left His Highness with a fresh assurance from him that the negotiations for the advance from the Anglo-Egyptian Bank should be suspended till Thursday evening (the 18th).

On the following morning, I had some further conversation with Nubar Pasha on the subject, when his Excellency appeared anxious to impress me with the urgency of the Khedive's need

of the sum of from 3,000,000*l.* to 4,000,000*l.* sterling, and with the fact that this sum was required by the 30th instant: and his Excellency then informed me that it was intended, should the offer of the loan be accepted, to issue Treasury bonds for the amount, repayable at short dates (from three to six months), secured on the Khedive's Canal Shares, and he appeared seriously apprehensive lest the shares should be lost through the inability of the Egyptian Government to redeem their pledge.

This information I telegraphed to your Lordship that afternoon, and at about 8 P.M. I received your Lordship's telegram, instructing me to intimate to the Khedive that Her Majesty's Government was disposed to purchase the shares, provided satisfactory terms could be arranged.

I immediately proceeded to the palace, and requested an audience of His Highness, who at once received me, and I then communicated to him the purport of your Lordship's telegram.

The Khedive seemed undoubtedly pleased with the intimation, and expressed his acknowledgments for the offer made by Her Majesty's Government. He renewed the assurance that at present he had no intention of disposing of his shares, but was obliged to accept the advance offered on *hypothèque* to enable him to make arrangements for the larger operation of the conversion of his floating debt, adding that should he change his views as to the sale of his shares, he would immediately inform Her Majesty's Government, and give them the option of purchase, as he would much prefer seeing these shares in the possession of Her Majesty's Government than in any other hands.

In the course of this afternoon Cherif Pasha called, and renewed the assurance that the Egyptian Government, which had every reason to look upon England as its most sincere friend, would infinitely prefer seeing the Egyptian interests in the Suez Canal transferred to her than to any other country: and he further informed me that immediately after my visit to His Highness last evening, Nubar Pasha had in his presence suggested to the Khedive that he should call on me, and give me further explanations as to the financial situation, but that His Highness had replied there was no occasion for his doing so, as he had himself explained the matter to me, and had afterwards instructed him (Cherif Pasha) to see me on the subject.

No. 3.

The Earl of Derby to Lord Lyons.

FOREIGN OFFICE, *November* 20, 1875.

My Lord,—M. Gavard called upon me this afternoon, and, in the course of conversation on various other matters, he alluded to the rumour that the Khedive was in negotiation for the sale of his shares in the Suez Canal to the Société Générale or some other French Company. He asked whether Her Majesty's Government would have any objection to such a transaction.

I told M. Gavard that I would answer his question in the same frank manner in which he had put it. The Suez Canal had been originated by a Frenchman, executed by French engineers, and carried out principally by means of French capital. The credit of the undertaking rested with the French nation, and it was in French hands that its direction was placed. On the other hand, of the shipping which made use of the Canal more than three-fourths and nearly four-fifths was British. The interest of this country in the maintenance and proper management of the Canal, forming as it did a portion of the highway between us and our Indian possessions, was much greater than that of any other European nation.

I had never concealed from the French Representative or Government, and I had indeed stated publicly in the House of Lords, my opinion that the arrangement most satisfactory to Great Britain would be that the Canal, forming so important a link in our communication with India and Australia, should be under the management of an International Commission, so that its control should not rest exclusively with any single Government or body of individuals.

No opportunity had, however, arisen for making or even proposing such an arrangement, and we had to look to such safeguards as we actually possessed against the risk of the Canal being managed in a way detrimental to the general interest. Of these, the possession by the Khedive of a large interest in M. de Lesseps' Company was one. The two checks which we could bring most directly to bear upon M. de Lesseps and the administration of the Canal were the action of the Viceroy in the first place, and, secondly, that of the Porte, as the Suzerain Power. Under present circumstances, it was impossible

to foresee how far, in the future, the control of the Porte could be counted upon as efficacious. That of the Viceroy, therefore, became all the more important. The Khedive, in parting with the shares which he now possessed in the Suez Canal Company, would, in my opinion, surrender an important means of influencing the measures taken by the Company and its staff, and as such we could not look upon such a transaction with indifference. We should certainly be opposed to these shares falling into the hands of another French Company, so as to make the property in the Canal more French than it already was. To any arrangement for mortgaging the shares merely as a security for an advance, provided the Khedive had full power to redeem them at any moment by payment of the loan, the same objections possibly might not hold good.

I am, &c.
(Signed) DERBY.

No. 4.

The Earl of Derby to Major-General Stanton.

FOREIGN OFFICE, *November* 25, 1875.

Sir,—I have received your telegram of the 23rd instant, stating that the Viceroy of Egypt is willing to dispose of his shares in the Suez Canal to Her Majesty's Government for 100,000,000 francs, and I have to inform you that Her Majesty's Government are ready to purchase these shares, 177,642 in number, for the above-mentioned sum (*i.e.* 4,000,000*l.*), and they will be prepared to recommend to Parliament to sanction the contract.

In the meantime Messrs. N. de Rothschild and Sons will be the agents of Her Majesty's Government in London to carry out the transaction. They will be prepared to hold 1,000,000*l.* sterling on the 1st of December at the disposal of the Egyptian Government, upon the shares being handed to you on behalf of Her Majesty's Government.

The remaining 3,000,000*l.* will be provided in December and January, as may be arranged between the Egyptian Government and Messrs. Rothschild and Sons.

Her Majesty's Government assume that the 5 per cent. on the sum paid, which is to be paid to Her Majesty's Govern-

ment, as pointed out in your telegram of to-day, until the coupons are liberated, will be charged on the revenues of Egypt.

I am, &c.

(Signed) DERBY.

No. 5.

Mr. W. H. Smith, M.P., to Lord Tenterden.

TREASURY CHAMBERS, *November* 26, 1875.

My Lord,—I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, for the information of the Secretary of State, a copy of a letter dated the 25th instant, which their Lordships have caused to be addressed to Messrs. Rothschild and Sons; also a copy of those gentlemen's reply, of the same date, relative to the advance by them of the money for the purchase of the Suez Canal Shares.

I am, &c.

(Signed) W. H. SMITH.

Inclosure 1 in No. 5.

Mr. W. H. Smith, M.P., to Messrs. de Rothschild.

TREASURY CHAMBERS, *November* 25, 1875.

Gentlemen,—I am directed by the Lords Commissioners of Her Majesty's Treasury to inform you that Her Majesty's Government have decided to accept an offer of the sale of shares in the Suez Canal which His Highness the Khedive has made to them.

As, however, the purchase money must be laid down within a short time, and as there is at present no Parliamentary authority under which it can be provided, Her Majesty's Government have determined to accept your proposal to act as their Agents, and to advance the sum required, on the distinct understanding that they will, as soon as practicable, apply to Parliament for a grant of money to enable them to repay your advance.

They understand that, under this engagement, as soon as you receive the authority from this Board, which will be given you when the shares which are the subject of the contract have

been handed over to Her Majesty's Consul-General in Egypt, you will be prepared to hold 1,000,000*l.* sterling at the disposal of the Egyptian Government on the 1st of December next, and that you will provide the remaining 3,000,000*l.* sterling in the months of December and January, and will hold them at the disposal of the Khedive, in such manner as may be arranged between His Highness and yourselves.

That, in return for these services, you will be at liberty to charge Her Majesty's Government a commission of 2½ per cent. upon the 4,000,000*l.* sterling which you undertake to provide, and that you will receive the interest of 5 per cent. which the Khedive undertakes to pay upon the amounts advanced from the date of the advances until the date of repayment of such advance by Her Majesty's Government.

I am to add that my Lords would be glad to learn that they have stated correctly the conditions upon which you are willing to undertake the operation to which this letter refers.

I am, &c.

(Signed) W. H. SMITH.

Inclosure 2 in No. 5.

Messrs. de Rothschild to the Chancellor of the Exchequer.

NEW COURT, *November* 25, 1875.

Sir,—We have the honour to acknowledge the receipt of a letter from the Secretary of the Treasury, in which are stated the conditions upon which we are willing to undertake the operations to which the said letter refers, and in answer to which we beg to state that the said conditions are in accordance with our verbal agreement, namely:

As soon as we receive the orders from the Lords Commissioners of Her Majesty's Treasury, we shall be prepared to hold at the disposal of the Egyptian Government the sum of 4,000,000*l.* (four millions sterling); 1,000,000*l.* (one million sterling) to be at the disposal of the Egyptian Government on the 1st December and the remaining 3,000,000*l.* (three millions sterling) during the months of December and January, in such manner as may be arranged between the Egyptian Government and ourselves.

It is also understood that we are to charge Her Majesty's Government a commission of 2½ (two and one half per cent.) upon the 4,000,000*l.* (four millions sterling) and 5 per cent.

(five per cent. per annum) interest until the date of repayment.

This advance is also made on the distinct understanding that Her Majesty's Government will, as soon as practicable, apply to Parliament for a grant of money to enable Her Majesty's Government to repay the said advance.

We have, &c.
(Signed) A. M. ROTHSCHILD & Co.

No. 6.

Major-General Stanton to the Earl of Derby.—(Received December 6.)

CAIRO, *November* 27, 1875.

My Lord,—My telegram of yesterday afternoon will have informed your Lordship of the conclusion of the negotiations which had been entrusted to me for the purchase of the Khedive's Suez Canal Shares, by the deposit of these shares in Her Majesty's Consulate in this town, and I have little to add to the information already conveyed to your Lordship on this matter.

On the receipt of your Lordship's telegram of the 23rd, which reached me on the morning of the 24th instant, I lost no time in proceeding to the palace to inform His Highness of the acceptance of his offer to dispose of his Canal shares to Her Majesty's Government. I was unable at that hour to see the Khedive; but I informed the Minister of Finance, whom I saw in the presence of Nubar Pasha and of the Khedive's 'Garde des Sceaux,' of the nature of the communication I had to make, and shortly afterwards received the assurance that the terms were agreed to. Being, however, anxious to prevent any misunderstanding on the subject, and also to prevent the possibility of any successful intrigue interfering with the arrangement, I told the Minister I would draw up an agreement for signature, specifying the terms of the engagement entered into.

Before leaving the palace, however, Nubar Pasha had told me that he believed the number of shares in the Khedive's possession did not quite tally with the number specified by your Lordship, as a few of the shares had been disposed of in Paris some ten or twelve years since. I therefore left a blank in the agreement to be filled up when the actual number of shares in

His Highness' possession should be ascertained; and when, shortly afterwards, the Minister of Finance informed me that the shares were 176,602 in number instead of 177,642, as specified by your Lordship, I provided that the value of the 1,040 shares short of the last-named number should be deducted from the amount agreed to be paid by Her Majesty's Government.

I also, as your Lordship will perceive, stipulated that the 5 per cent. interest to be paid by the Egyptian Government to Her Majesty's Government until the coupons were liberated from the existing engagement with the Canal Company, should be charged on the revenues of Egypt, and the amount paid in London by equal half-yearly payments of 100,000*l.* on the 1st of June and 1st of December of each year.

Yesterday morning the Egyptian Government sent me seven large cases containing the shares in question, which cases (having previously verified the fact that they contained Suez Canal shares) I caused to be fastened up and corded in my presence, and then sealed with the seals of the Egyptian Minister of Finance, Her Majesty's Agency and Consulate-General, and of the Consular Court for Cairo, leaving the verification of the numbers till I had received further instructions from your Lordship, and I gave the Egyptian Government a receipt for the seven cases, which are now deposited in Her Majesty's Consulate in this town, pending the receipt of instructions for their disposal.

I have, &c.,

(Signed) EDWD. STANTON.

Inclosure in No. 6.

Agreement entered into this 25th day of November, in the year of our Lord 1875, between Major-General Edward Stanton, C.B., Her Britannic Majesty's Agent and Consul-General in Egypt, acting on behalf of Her Britannic Majesty's Government on the one part, and his Excellency Ismail Sadek Pasha, Egyptian Minister of Finance, acting on behalf of His Highness the Khedive of Egypt, on the other part.

WHEREAS His Highness the Khedive has proposed to sell to Her Britannic Majesty's Government the whole of his shares in the Suez Canal Company, and whereas Her Britannic Majesty's Government has proposed to purchase from His Highness the Khedive 177,642 shares in the said Suez Canal Company, for the sum of 4,000,000*l* sterling.

Now it is hereby witnessed that His Highness the Khedive

agrees to sell to Her Britannic Majesty's Government the whole of his shares in the Suez Canal Company, being to the number of 176,602 shares, not, as supposed by Her Britannic Majesty's Government, 177,642 shares; and Her Britannic Majesty's Government agrees to purchase the same for the sum of 4,000,000*l.* sterling, less the proportionate value of the 1,040 shares, the difference between 177,642, and 176,602, and Her Britannic Majesty's Government agrees to recommend to Parliament to sanction the contract.

Her Britannic Majesty's Government undertakes that on the 1st of December next, on the deposit of the shares in the hands of Her Majesty's Agent and Consul-General in Egypt, the sum of 1,000,000*l.* sterling shall be held at the disposal of the Egyptian Government, in the hands of Messrs. N. de Rothschild and Sons, of London; and that the remaining 3,000,000*l.* sterling, less the amount to be deducted for the value of the 1,040 shares above mentioned, shall be provided in the months of December and January next, as may be arranged between the Egyptian Government and Messrs. Rothschild and Sons.

The Egyptian Government undertakes to pay to Her Britannic Majesty's Government interest at the rate of 5 per cent. per annum on the whole amount of the purchase money of the said 176,602 shares, in equal half-yearly payments,—the said payments to be made in London on the 1st of June and the 1st of December in each year, until such time as the coupons of the said shares shall be liberated from the engagement now existing with the Suez Canal Company; and the Egyptian Government further engages that the amount of the said interest shall be charged on the revenues of Egypt.

In witness whereof we have this day affixed our signatures and official seals.

(Signed) EDWD. STANTON. (L.S.)
(Sealed) ISMAIL SADEK.

(Seal of Ismail Pasha legalised by Nubar Pasha.)

No. 7.

Mr. Lister to Sir S. Northcote.

FOREIGN OFFICE, *November* 27, 1875.

Sir,—I have the honour to inform you, by direction of the Earl of Derby, that a telegraphic Despatch has been received from Her Majesty's Agent and Consul-General at Alexandria, stating that seven large cases, containing the shares of the Suez Canal Company purchased by Her Majesty's Government from the Khedive, have been deposited in the British Consulate at Cairo.

General Stanton reports that the cases have been corded and sealed with the seals of the Finance Minister, of Her Majesty's Agent, and of the Consular Court, pending the verification of the numbers of the shares.

General Stanton had already been instructed to have lists of the shares made, with their numbers and all particulars, by a notary public, such particulars to be entered by the notary in his books, and two certified copies of the lists to be sent home, one with the shares themselves, and the other by a separate opportunity.

General Stanton has been further directed to send the shares to this country by special messenger, and he has been asked whether he has the means of forwarding them in proper security, or whether there are any special measures which he would suggest for their transmission.

I am, &c.,
(Signed) T. V. LISTER.

No. 8.

The Earl of Derby to Lord Lyons.

FOREIGN OFFICE, *November* 27, 1875.

My Lord,—The Marquis d'Harcourt called upon me to-day, and asked if I could give him any information in regard to the purchase by Her Majesty's Government of the shares in the Suez Canal recently held by the Khedive.

I told the French Ambassador the exact state of the case, with the circumstances of which your Excellency has been made

acquainted by my other Despatch of this day's date, which incloses copies of the telegrams which have passed between this Office and Her Majesty's Agent and Consul-General at Alexandria on the subject.

The points which I dwelt on in my interview with the Marquis d'Harcourt were as follows:—

That Her Majesty's Government had no wish that the Khedive should sell his shares in the Canal, neither was there on their part the slightest desire to alter the *status quo* in regard to this undertaking; but, on the other hand, they had no power to prevent his selling, and as he had decided on so doing, they took the only effectual steps at their disposal to prevent the possibility of the shares falling into hands whose possession of them might not be favourable to the interest of this country.

That the suddenness of the whole affair was in no way attributable to Her Majesty's Government. If they had delayed, other purchasers would have come forward; and they had, therefore, to accept the opportunity as it offered itself, or lose it altogether.

That it is not in the power of the British Government to act as Continental Governments can do,—through third parties, banks, financial companies, or the like. What they do, they must do openly, and in their own name, so that Parliament may be enabled to judge of the whole transaction.

This latter observation I made in answer to a remark made by the Marquis d'Harcourt that the act would have had less political significance if done through some Company or otherwise, not directly in the name of the State.

I added that we had even now a minority of the Canal Shares; but that the question for Her Majesty's Government was not one of establishing an exclusive interest, but of preventing an exclusive interest from being established as against this country. For my part I had always expressed my opinion that the best arrangement for all the world would be the placing of the Canal under an International Commission like that of the Danube—an opinion which I still held; but I added that I was aware that the French Government were not prepared to entertain any such idea, and I therefore did not put it forward; but if France and other Governments altered their way of thinking, I did not anticipate that any difficulties would be made by England.

The French Ambassador expressed some fear, or at any rate thought that some would be felt, that the Khedive might be

unable to pay his promised 200,000*l.* a-year, and that in consequence this country would use some means to coerce him which would practically establish English authority in Egypt. I assured him that nothing was further from our thoughts; that Her Majesty's Government desired that the passage through Egypt should be free for this country, as for the rest of the world, and desired nothing more.

The foregoing are the main points of the explanation which I gave to the French Ambassador, who, as I gathered from His Excellency, had not been instructed to do more than speak to me upon this subject, with a view of eliciting any explanations or remarks that I might be inclined to offer.

I am, &c.,
(Signed) DERBY.

No. 9.

Lord Lyons to the Earl of Derby.—(Received December 1.)

PARIS, *November* 30, 1875.

My Lord,—I have the honour to transmit to your Lordship copies taken from a newspaper of a letter, written by M. de Lesseps, on the subject of the purchase by England of the Khedive's shares in the Suez Canal.

M. de Lesseps speaks with satisfaction of this purchase. 'Je considère,' he says, 'comme un fait heureux cette solidarité puissante qui va s'établir entre les capitaux Français et Anglais pour l'exploitation purement industrielle et nécessairement pacifique du Canal Maritime Universel.'

In fact, M. de Lesseps sent me word a day or two ago that he regarded the purchase as advantageous to the Canal.

I inclose, also, an article by M. Paul Leroy-Beaulieu, which appeared yesterday in the 'Journal des Débats,' and which may have some interest, as expressing a French view of the financial aspect of the question.

M. Leroy-Beaulieu gives the following statement of the various stocks of the Suez Canal Company:

400,000 'actions' (shares); of which 176,602 have been bought by England from the Khedive, and the remainder are held by the public, and chiefly by small French capitalists.

333,333 'obligations' (debentures).

120,000 'délégations' (assignments of the dividends falling due on the shares formerly held by the Khedive,—which dividends were made over to the Company for a period ending on the 1st July, 1894).

250,000 'parts de fondateur' (founders' shares); of which, 150,000 are held by the Khedive, and 100,000 by the public.

Lastly, 'bons consolidés de coupons arriérés' (bonds for arrears of interest), which bonds are not quoted at the Paris Bourse.

M. Leroy-Beaulieu estimates the sums necessary to buy up in the market what remains of all these stocks, after deducting the shares purchased by England, as follows:

	£
223,398 actions	7,200,000
333,333 obligations	6,600,000
120,000 délégations	3,600,000
250,000 parts de fondateur . . .	2,000,000
120,000 bons	600,000
Total . . .	20,000,000

For all these statements and figures M. Leroy-Beaulieu is, of course, responsible; all I have done is to convert francs into pounds sterling.

I have, &c.,
(Signed) LYONS.

Inclosure 1 in No. 9.

Letter from M. de Lesseps.

[We omit the French of M. de Lesseps, and quote only the translation.]

Translation.

PARIS, *November* 24, 1875.

Sir,—The attention of some of the shareholders is engaged with the purchase by the British Government of 176,602 shares which belonged to the Egyptian Government, and some express anxiety concerning it.

It will be sufficient to recall a page in the history of the Canal to dispel all anxiety on this subject.

At the outset, when the moment had arrived for raising the necessary capital, an important share in the subscription was set aside for English capitalists.

At that period France and Egypt rendered the cutting of the Canal feasible by their contributions. The shares were almost entirely taken up by the French public and the Egyptian Government.

The British Government, which had no financial interest in the success of the undertaking, placed many difficulties in the way of its completion, and until quite lately the intervention of English agents had an injurious effect upon the private interests of Egyptian and French shareholders.

The English nation now accepts that share in the Canal Company which had been loyally reserved to her from the outset; and if this action is to have any effect, that effect, in my opinion, can only be the abandonment by the British Government of the long-standing attitude of hostility towards the interests of the original shareholders of the Maritime Canal, whose perseverance has been at once so active and so well directed.

I therefore look upon the close community of interests about to be established between French and English capital, for the purely industrial and necessarily peaceful working of the Universal Maritime Canal, as a most fortunate occurrence.

I shall feel obliged if you will communicate the contents of this letter to such of our shareholders as may apply to you for my opinion on the subject.

Receive, &c.,
The President Director,
(Signed) FERD. DE LESSEPS.

Inclosure 2 in No. 9.

Extract from the 'Journal des Débats' of November 29, 1875.

No. 10.

Sir A. Paget to the Earl of Derby.—(Received December 3.)

ROME, *November* 29, 1875.

My Lord,—I have the honour to inclose a translation of an article from the 'Opinione' of yesterday's date, relative to the acquisition by Her Majesty's Government of the shares in the Suez Canal belonging to the Khedive of Egypt.

As far as I am able to form an opinion by what I hear, and by the comments of the Italian press, I am disposed to think that this most wise and judicious act of policy on the part of Her Majesty's Government is looked upon favourably in this country.

I have, &c.,
(Signed) A. PAGET.

Inclosure in No. 10.

Extract from the 'Opinione.

(Translation.)

The news that the English Government has acquired from the Viceroy of Egypt the shares held by the latter in the Suez Canal, has disturbed and disquieted all the Exchanges of Europe. It is a symptom of the times, and it is a proof of the great uncertainties which the Eastern question now occasions.

In the normal conditions of peace and confidence, the contract, as was at first announced, concluded by an English company would only have appeared to be a great operation made with a company of London bankers by a Sovereign in order to obtain the necessary means of paying the interest of his debt. In the powerful London market such operations, more or less important, are frequent; and if several of them turn out badly, as a recent inquiry has shown, it teaches bankers to be more cautious in requiring solid guarantees instead of illusory guarantees.

The fact, however, is different, and assumes much gravity from the present state of European politics. It is not an English company, it is the Government of St. James' itself who acquires these shares, and the financial convention assumes all the importance of a high political act.

England completes a revolution in her policy, which is only the consequence of the changes which have taken place in Europe, and of the new ideas which have arisen.

There was no Power more hostile to the undertaking of the Suez Canal than Great Britain. She had put in motion all her machinery to thwart it. Employing her influence with the Turkish Government, she had induced the latter to demand even the interruption of the works on the ground that the neutrality of the Canal was not guaranteed. It required all the pertinacity of M. de Lesseps and all the prestige which the

Emperor Napoleon then possessed to overcome the new difficulties and to insure the completion of the work.

The opposition of England was then inexplicable. Ought she not rather to second than oppose an undertaking which would have had the effect of bringing her nearer to her great possessions in India? By the Suez Canal, London was only 3,100 kilomètres distant from Bombay, whereas by the Cape the distance was 5,950. It was no small advantage to diminish the distance by half, but it was observed in England that the advantage would be greater for other Powers, and that Odessa, Constantinople, Marseilles, and Havre would obtain much more material benefit. The Canal was opened, and English shipping soon revealed its power. It might be said that the Canal was made for it, as it has an incontestable pre-eminence upon it.

But commercial benefits were not sufficient to calm political preoccupations. Under the Gladstone administration they appeared to be calmed, nor, perhaps, would they have manifested themselves so distinctly if the insurrection in the Herzegovina had not arisen, and if the progressive dissolution of the Ottoman Government did not every day become more evident.

In France bitter accusations are made against England on account of her change of policy. This change is judged, at first sight, as ill-considered; but any one who reflects upon the question is bound to acknowledge that it is in conformity with British interests.

What advantage has Great Britain derived from her fidelity to the dogma of the integrity of the Ottoman Empire? What support of her Eastern policy could she find in a Government which, upon contact with western civilization, becomes corrupted and falls to pieces? Turkey is no longer an ally upon whom it is possible to count. The continual and almost daily changes of Ministry, the effect of the momentary influences which prevail upon the mind of the Sultan, the confusion of the administration, the disorder of the finances, the impossibility of obtaining obedience from employés, who make every attempt at reform illusory, the discontent and misery of the Christian populations, have persuaded Great Britain that it would be useless, as well as injurious, to persist in considering the integrity of the Ottoman Empire as an English interest as it was in the time of Lord Palmerston and Sir Stratford de Redcliffe.

Europe now seeks a new equilibrium, railways and telegraphs have brought people together, and have carried into

the remotest countries new ideas and new aspirations, Russia continues her conquests in Asia, and approaches more and more towards the British possessions. The great Asiatic States also arouse themselves, politics are associated in those countries with religion, a slow but certain transformation is there being accomplished, and many foresee that one day a violent encounter may take place between the two great European Powers who contend for supremacy in those vast countries.

England has always watched with a vigilant and anxious eye the progress of Russia in Asia. Scarcely a week passes without some book or pamphlet or review being published in London by political men or diplomatists upon a subject to which no Englishman can remain indifferent. No fear is felt for the present, but policy requires that preparations should be made for future events. A long way must yet be made before the Russian possessions touch the great Indian Empire, but political and commercial influence may and does extend itself beyond the limits of territory. What will be the effects of Russian influence with regard to British power and of British influence with regard to Russian power?

In view of a conflict so weighty, with political and economical interests in Central Asia, the question of European Turkey becomes almost a secondary one for England. From the moment that it appears at Constantinople that the foundations of the edifice, attacked on all sides, were trembling, what should be for England the directing idea of her policy? That of seeking another ally who would appreciate the value of her support for future Eastern eventualities.

This ally is Egypt. The visit of the Prince of Wales to the Viceroy is a political act of great importance; it was the prelude to the operation which has so greatly disturbed Europe. Some years ago the English had already acquired from the French no small quantity of shares and obligations of the Suez Canal Company; now the English Government itself acquires from the Viceroy the 177,000 shares which he possesses, and which represent about half the total number.

Strange contradiction of events. That Suez Canal, against which England manifested so much hostility, becomes an English canal. As she could not prevent its being opened, she wished to keep the keys of it in her own hands. Aden was not sufficient. It seems to us an act of great political ability which does great honour to the perspicacity of Mr. Disraeli's Government. The expense is small in comparison with the greater

security which Great Britain acquires for its possessions. A policy based upon free trade can never give rise to the suspicion that the possession of the Suez Canal should ever be employed for closing the new road to the East to the commerce of all nations. But should a serious complication arise, England will have an inestimable advantage over her rivals. When England ceded the Ionian Islands to Greece, Prince Bismarck proclaimed her decadence, because a Power who spontaneously cedes a portion of its territory is a Power who renounces all political activity. The contract concluded with the Viceroy of Egypt will modify Prince Bismarck's judgment by proving that in the case of her own interests in the East, Great Britain retains that foresight and solicitude which enabled her to raise herself to such a great Power.

No. 11.

Lord Tenterden to the Secretary to the Admiralty.

FOREIGN OFFICE, *December* 3, 1875.

Sir,—I am directed by the Earl of Derby to request that you will state to the Lords Commissioners of the Admiralty that his Lordship understands that the 'Malabar' troop-ship will be passing through the Red Sea on her passage to England during the early part of this month, and as it is very desirable that the Suez Canal shares purchased from the Khedive on behalf of her Majesty's Government should be safely and speedily conveyed to this country, I am to suggest that the 'Malabar' should call at Alexandria for them.

It appears by a telegraphic despatch received from Her Majesty's Agent and Consul-General that the shares are contained in seven or more large cases.

Lord Derby would be glad to be informed, at their Lordships' early convenience, whether this can be done, and the date at which, should it be so arranged, the 'Malabar' could call at Alexandria.

I am, &c.,
(Signed) TENTERDEN.

No. 12.

The Secretary to the Admiralty to Lord Tenterden.—(Received December 3.)

ADMIRALTY, *December* 3, 1875.

Sir,—With reference to your letter of this day, I am commanded by my Lords Commissioners of the Admiralty to request that you will inform the Earl of Derby that they have given orders that Her Majesty's troop-ship 'Malabar' shall call at Alexandria on the 15th or 16th of this month, to receive certain cases from Her Majesty's Consul-General in Egypt; and their Lordships would represent, for the consideration of Lord Derby, the advisability of desiring the Consul-General to have these cases embarked in the 'Malabar' as soon as she arrives, so as not to detain the ship.

I am, &c.,
(Signed) ROBERT HALL.

No. 13.

Major-General Stanton to the Earl of Derby.—(Received December 6.)

(Extract.)

CAIRO, *November* 27, 1875.

I was honoured with a short interview by the Khedive on the 25th instant, when the arrangements for the purchase of His Highness' Suez Canal shares had been completed, on which occasion His Highness mentioned to me that offers were being made to him for the purchase of the right of the Egyptian Government to the 15 per cent. of the net revenue of the Suez Canal, specified in the act of concession granted to that Company, and His Highness begged me to mention the matter to your Lordship, in the belief that it might perhaps suit Her Majesty's Government to become the possessors of this right, in addition to the shares just purchased, as it would, in his opinion, carry with it a greater power of control over the Company than the possession of the shares would entail.

The Khedive added that overtures on the subject of disposing of this right were made to him during the last winter,

when he was informed that a sum of between 30,000,000 and 40,000,000 francs might be obtained by him on this property; that he had then declined to consider the proposal, but that under existing circumstances he was disposed to agree to an arrangement of that nature.

I told His Highness that I could give no opinion as to what the views of Her Majesty's Government might be on the subject, that the transaction, although doubtless of considerable importance, appeared to me rather too much in the nature of a financial speculation to be likely to be favourably considered, but I undertook to lay the matter before your Lordship.

To-day both Nubar and Cherif Pashas have spoken to me on the subject, and the latter especially endeavoured to impress me with the importance of the matter.

No. 14.

The Earl of Derby to Lord Lyons.

FOREIGN OFFICE, *December* 4, 1875.

My Lord,—I saw the French Ambassador yesterday, and thought it well to communicate to him the general purport of General Stanton's telegram, relating to the proposed sale by the Khedive of some further interests in the Suez Canal.

I told the Marquis d'Harcourt that, though no decision had been formally come to on the subject, I was well assured Her Majesty's Government would not feel disposed to enter into a speculative purchase of this kind, and that I had mentioned the matter to him only in order that his Government might see that we had no wish to keep back from them any fact relating to the present position of Egyptian finances.

I made no reference in this conversation to the rumour that the French Government were themselves negotiating for the acquisition of the property in question.

I am, &c.,
(Signed) DERBY.

No. 15.

Lord Odo Russell to the Earl of Derby.—(Received December 6.)

BERLIN, *November* 29, 1875.

My Lord,—I had the honour of seeing Prince Bismarck at the Foreign Office to-day, who spoke in terms of high appreciation of the policy adopted by Her Majesty's Government with regard to the purchase of the Khedive's shares of the Suez Canal. His Highness said that he desired to express his congratulations to your Lordship on Her Majesty's Government having thus 'done the right thing at the right moment in regard to the Suez Canal.'

The measure met with his sincere approval as a further and important guarantee of the maintenance of peace in Europe, and as such he gave it his most hearty support.

I have, &c.,
(Signed) ODO RUSSELL.

No. 16.

The Earl of Derby to Lord Odo Russell.

FOREIGN OFFICE, *November* 30, 1875.

My Lord,—Her Majesty's Government have learnt with much satisfaction from your telegraphic Despatch dated the 29th instant that the policy recently adopted by Her Majesty's Government with regard to the purchase of a number of shares in the Suez Canal has met with the support of the Imperial Government, and I have to request your Excellency to convey the thanks of Her Majesty's Government to Prince Bismarck for this friendly expression of opinion on the part of the German Government.

I am, &c.,
(Signed) DERBY.

No. 17.

Mr. Monson to Sir A. Buchanan.—(Received at the Foreign Office, December 6.)

(Extract.)

BUDA PESTH, *December* 1, 1875.

Public opinion in Hungary, so far as it is represented by the daily press, appears to be well satisfied with the recent transaction, by which the Khedive's pecuniary interest in the Suez Canal has been transferred to England. These newspapers admit the necessity of England's securing for herself the control of the direct water-way to India; a necessity which, the 'Pesti Naplo' says, is distinct from England's obligations with regard to the Eastern question, and is neither politically nor commercially of a kind to cause distrust to the rest of Europe.

No. 18.

The Earl of Derby to Colonel Stokes.

FOREIGN OFFICE, *December* 6, 1875.

Sir,—The Queen having been pleased to approve of the appointment of the Right Honourable Stephen Cave, a member of the House of Commons, and Her Majesty's Paymaster-General, to proceed on a special mission to Egypt, Her Majesty's Government have determined to request you to accompany the special mission, that you may assist and advise Mr. Cave in his duties as Envoy, and that he may have the benefit of the experience of the country and people which you have gained during your previous employment in the Ottoman dominions.

Her Majesty's Government also desire that you should confer with Her Majesty's Agent and Consul-General in Egypt on the subject of the recent purchase, on behalf of Great Britain, of the shares in the Suez Canal heretofore held by His Highness the Khedive, and furnish a report on the position which Her Majesty's Government will occupy as possessors of those shares, and on any measure which it may be desirable to take in order to secure the full benefit of the purchase.

I am, &c.,

(Signed) DERBY.

No. 19.

The Earl of Derby to Major-General Stanton.

FOREIGN OFFICE, *December* 6, 1875.

Sir,—I have to instruct you to express the thanks of Her Majesty's Government to the Khedive for his offer to sell them his right to 15 per cent. on the net profits of the Suez Canal.

This proof of the Khedive's friendly sentiments, and frankness in dealing with Her Majesty's Government, has been received by them with satisfaction, but they do not desire to avail themselves of his offer.

You will remind His Highness, in courteous terms, that the 5 per cent. interest on the purchase money of the Suez Canal shares so long as the interest on the coupons remains hypothecated, which has been guaranteed to Her Majesty's Government on the revenues of Egypt, as provided in the contract signed by you on the 25th ultimo, forms a primary charge on the revenues of Egypt, and it is for His Highness to consider whether, pending the arrival of Mr. Cave's Special Mission, it would be advisable to enter into a further large transaction of this kind.

You will, moreover, explain that Her Majesty's Government would regard as a violation of the Firman of the Porte, and as inconsistent with the integrity of the Ottoman Empire, any act of the Khedive dispossessing himself in any manner of the control over the Suez Canal, which has been secured to His Highness by the Company's concessions and statutes, and which has been confirmed by the Porte.

Her Majesty's Government must not be understood as acquiescing in such a course, although, on the present occasion, they do not raise objection to the proposed sale of the Khedive's right to 15 per cent. on the net profits of the Canal.

I am, &c.,

(Signed) DERBY.

No. 20.

Sir A. Paget to the Earl of Derby.—(*Received December* 8.)

(Extract.)

ROME, *December* 3, 1875.

In the course of a conversation I had yesterday with Chevalier Visconti Venosta, his Excellency alluded to the

purchase of the Khedive's shares in the Suez Canal by Her Majesty's Government.

His Excellency expressed himself in the most favourable and friendly terms.

From an English point of view he did not suppose there could be two opinions as to the wisdom of the step which had been taken; and speaking in regard to the interests of Italy and of the world in general, his Excellency, after referring to the cordial manner in which the British and Italian Governments had acted together in resisting the attempt to raise the tolls of the Canal, proceeded to say that he should consider the possession by England, who was never likely to establish exclusive regulations to the prejudice of other Powers, of a preponderating voice in the affairs of the Canal, as highly advantageous for the commercial interests of all nations; and, politically speaking, his Excellency said that he could not but rejoice at an act which tended to increase the influence of Great Britain in the Mediterranean, not only on account of the past services which Italy had received from England, but also in view of general considerations connected with the future.

I replied that I heard these friendly sentiments with great pleasure, and that I was sure they would be highly appreciated by Her Majesty's Government, to whom I should not fail to report them.

No. 21.

The Earl of Derby to Lord Lyons.

FOREIGN OFFICE, *December* 10, 1875.

My Lord,—Her Majesty's Government have seen with much satisfaction from the Circular Letter of M. de Lesseps inclosed in your Excellency's Despatch of the 30th ultimo, that the step taken by Her Majesty's Government in purchasing the Khedive's Suez Canal shares, has been viewed by him in its proper light so far as the future relations of Her Majesty's Government and the Company are concerned.

There is nothing in the Statutes of the Company, or in the concessions, requiring a formal notification to be made to the Company of the purchase.

Her Majesty's Government, nevertheless, desire, as a matter of courtesy, that your Excellency should take an opportunity of

intimating to M. de Lesseps that, in making the purchase, Her Majesty's Government had in view the general interests of commerce which are closely bound up with the interests of the Canal.

Her Majesty's Government recognise the pre-eminent part taken by M. de Lesseps in the foundation and construction of the Canal, and will always be found anxious to support him in any measures conducive to its welfare.

I am, &c.,
(Signed) DERBY.

No. 22.

Major-General Stanton to the Earl of Derby.—(Received December 12.)

CAIRO, *December* 4, 1875.

My Lord,—I have the honour to report to your Lordship that in compliance with the instructions contained in your Lordship's telegram of the 30th ultimo, I have desired Mr. Wallis, Her Majesty's Legal Vice-Consul at Cairo, to cause a register of the Suez Canal shares purchased by Her Majesty's Government to be prepared in his office, in the presence and with the assistance of a Delegate of the Egyptian Ministry of Finance; and I beg to forward to your Lordship a copy of the instructions which I have given in to Mr. Wallis on the subject.

The clerical labour of making a separate entry of each of the 176,602 shares would have been so excessive, and so much time would have been required to prepare such a register, that I considered it advisable to suggest to Mr. Wallis that the entries should be made in groups of 50 or 100 shares; and as that gentleman was apprehensive that the preparation of this register would seriously interfere with the ordinary work of his Consulate, I have taken upon myself to authorize him to engage the services of such temporary clerical assistance as he might find necessary for the purpose.

Trusting your Lordship will approve of this step, and will authorize the payment of such a sum as may be required for this temporary addition to the staff of the Vice-Consulate,

I have, &c.,
(Signed) EDWD. STANTON.

Inclosure in No. 22.

Major-General Stanton to Mr. Wallis.

CAIRO, *December* 2, 1875.

Sir,—In conformity with instructions which I have received from Her Majesty's Secretary of State for Foreign Affairs, I have to request that you will cause a register to be made in duplicate of the Suez Canal shares recently purchased from the Egyptian Government and deposited in Her Majesty's Consular Court at Cairo.

The Register should contain a list of the numbers of these shares, and also specify any special particulars, such for instance as the date on which the first coupon will become payable, and any further detail which may in your opinion be necessary for a complete record of these shares.

A delegate from the Egyptian Ministry of Finance will attend at your office to assist in the verification of the numbers of the shares, and I would suggest that each sheet of the Register should be signed by yourself and by the Egyptian delegate, who must in all cases assist at the removal of the seals affixed to the cases containing the shares.

I imagine it will not be found necessary to enter each share separately on the Register, but that the entry can be made in groups of 50 or of 100 shares each; this detail I must, however, leave to your judgment, as also the decision as to whether any additional strength to the staff of your office may be temporarily necessary for the speedy termination of this work; but in the event of such clerical assistance being considered necessary by you, I am prepared to authorize you to engage the services of such clerk or clerks as may be required for the preparation of these registers with the least possible delay, and without interfering with the ordinary work of your office.

I have, &c.,
(Signed) EDW. STANTON.

No. 23.

The Earl of Derby to Sir A. Paget

FOREIGN OFFICE, *December* 14, 1875.

Sir,—I have received your Despatch of the 3rd instant, reporting a conversation which you have had with M. Visconti Venosta on the subject of the recent purchase by Her Majesty's Government of the Khedive's shares in the Suez Canal; and I approve the language which you held to his Excellency on that occasion.

I am, &c.,
(Signed) DERBY

No. 24.

The Secretary to the Admiralty to Mr. Lister.

ADMIRALTY, *December* 16, 1875.

Sir,—I am commanded by my Lords Commissioners of the Admiralty to request you will inform the Earl of Derby that a telegram has been received from Her Majesty's Principal Transport Officer at Alexandria, reporting that Her Majesty's ship 'Malabar' left that port this afternoon, having embarked the cases referred to in your letter of the 3rd instant.

I am, &c.,
(Signed) VERNON LUSHINGTON.

No. 25.

Lord Tenterden to the Secretary to the Admiralty.

FOREIGN OFFICE, *December* 17, 1875.

Sir,—I am directed by the Earl of Derby to acknowledge the receipt of your letter of the 16th instant, and I am to request that you will move the Lords Commissioners of the Admiralty to have the goodness to inform his Lordship when the 'Malabar' is sighted, in order that time may be given to allow of the vessel being met on her arrival in port.

Lord Derby has suggested that the Board of Treasury should make arrangements for taking charge of the shares on their arrival at Southampton.

I am, &c.,
(Signed) TENTERDEN.

No. 26.

The Earl of Derby to Major-General Stanton.

FOREIGN OFFICE, *December* 17, 1875.

Sir,—I have to convey to you my approval of the letter which you addressed to Mr. Wallis on the 2nd instant, instructing him to cause a register of the Suez Canal shares to be prepared in his office; and I also approve of the permission which you gave him to engage, if required, the services of one or more clerks in the execution of this duty, in order that the work may be completed with the least possible delay.

I am, &c.,
(Signed) DERBY.

No. 27.

Major-General Stanton to the Earl of Derby.—(Received December 18.)

CAIRO, *December* 11, 1875.

My Lord,—I have the honour to report that, on the receipt of your Lordship's telegram of the 6th instant, I immediately waited on the Khedive, and informed His Highness that I was instructed to thank him for the offer of the purchase of his right to 15 per cent. on the net profits of the Suez Canal; that Her Majesty's Government had received with satisfaction this proof of his friendly sentiments and frankness in dealing with them, but that they did not desire to avail themselves of his offer.

I then reminded His Highness of the fact that, at his own request, Her Majesty's Government were sending Mr. Cave on a special mission to Egypt to confer with him on the subject of his finances, and I begged His Highness to consider whether it would not be more courteous to that gentleman, and at the same time more advisable for himself, to defer entering into any further transaction of this nature until he should have ascertained Mr. Cave's views of the matter. I also reminded His Highness, as instructed by your Lordship, that the 5 per cent. interest guaranteed on the purchase money of the Suez Canal shares bought by Her Majesty's Government formed a primary charge on the revenues of Egypt, adding that this was, in my

opinion, an additional reason why His Highness should not enter into any arrangement for the transfer of any portion of these revenues pending Mr. Cave's arrival.

I further stated to His Highness that I was instructed to explain that, although Her Majesty's Government did not raise objections to the sale of this 15 per cent. of the Canal revenue, they must not be considered as acquiescing in his dispossessing himself in a manner of the control over the Canal secured to him by the Company's Concession and Statutes, and confirmed by the Porte; that, on the contrary, Her Majesty's Government would consider such an act as a violation of the Firman of the Porte, and inconsistent with the integrity of the Ottoman Empire.

His Highness replied that he considered the sale of this 15 per cent. as purely a financial transaction, which could not in any way diminish the power of control over the Canal secured to him by the Act of Concession and by the Statutes of the Company, and that he had no intention whatever of dispossessing himself of the control so secured to him. He expressed his regret that Her Majesty's Government were not disposed to avail themselves of the offer of the purchase, as he considered that the greater the interest possessed by them in Egypt, the better it would be for this country. He admitted the advisability of deferring for the present the further consideration of the question, and assured me that, although pressed by M. de Lesseps for an answer to his proposal, he would not enter into any arrangement on the matter until after he had consulted with Mr. Cave.

I have, &c.,
(Signed) EDWD. STANTON.

No. 28.

Sir A. Buchanan to the Earl of Derby.—(Received December 20.)

(Extract.)

VIENNA, *December* 16, 1875.

Count Andrassy, in speaking to me to-day of the recent purchase by Her Majesty's Government of the Suez Canal shares held by the Khedive, said that, as he was confident the purchase would prove as advantageous to Austrian as to British

commerce, he could only look upon it with satisfaction, adding that he was also happy to feel that there is not one question in the east or in the west of Europe in which the interests of Austria and Great Britain are not, in his opinion, identical.

No. 29.

The Secretary to the Admiralty to Mr. Lister.

ADMIRALTY, *December* 20, 1875.

Sir,—In reply to your letter of the 17th instant, I am commanded by my Lords Commissioners of the Admiralty to acquaint you, for the information of the Secretary of State for Foreign Affairs, that Her Majesty's ship 'Malabar' will come to Portsmouth, not Southampton, and that she is expected to arrive at the first-named port on the 31st instant.

I am, &c.,
(Signed) ROBERT HALL.

No. 30.

Major-General Stanton to the Earl of Derby.—(Received December 27.)

CAIRO, *December* 17, 1875.

My Lord,—I have the honour to report to your Lordship, that having received information that Her Majesty's ship 'Malabar' had passed through the Suez Canal, and might be expected at Alexandria on the morning of the 16th instant, I proceeded there yesterday morning by a special train, which had been placed at my disposal by the Khedive, taking with me the cases containing the Suez Canal shares recently purchased by Her Majesty's Government, for the purpose of handing them over to the officer commanding that vessel; but finding, on my arrival at Alexandria, that the 'Malabar,' though momentarily expected, had not arrived, and finding also that the Brindisi mail steamer, with the Right Honourable Stephen Cave on board, had already reached the port, I handed over the cases containing the Canal shares, and a bag of Despatches addressed to your Lordship, to the care of Captain Willoughby, Royal

Navy, Principal Transport Officer and Agent to the Government of India in Egypt, who undertook to see them placed on board the 'Malabar' immediately on her arrival, and proceeded myself to attend on Mr. Cave.

The 'Malabar' reached Alexandria shortly after 1 o'clock, and having embarked the cases, left *en route* for England in the course of the afternoon.

I have, &c.,
(Signed) EDWD. STANTON.

No. 31.

Major-General Stanton to the Earl of Derby.—(Received December 27.)

CAIRO, *December* 17, 1875.

My Lord,—With reference to my telegram of the 11th instant to your Lordship on the subject of the communication made by the Khedive to the Porte respecting the sale of his Suez Canal shares to Her Majesty's Government, I have the honour now to forward to your Lordship a translation which has been furnished me by His Highness of the communication made to him by the Porte, as well as of the reply which he had addressed to the Grand Vizier on that subject.

I have, &c.,
(Signed) EDWD. STANTON.

Inclosure 1 in No. 31.

The Grand Vizier to the Khedive.

[We omit the French original and quote only the translation.]

(Translation).

(Telegraphic.)

CONSTANTINOPLE, *November* 24, 1875.

According to news received from London and newspaper reports, we have learnt that the Suez Canal shares belonging to the Egyptian Government have been sold to the English Government. As, however, the accounts on this subject differ and the matter must be brought to the knowledge of His Majesty the Sultan, we beg that you will communicate to us the details and an exact account of this transaction.

Inclosure 2 in No. 31.

The Khedive to the Grand Vizier.

[We omit the French original and quote only the translation.]

(Translation.)

(Telegraphic.)

We have had the honour to receive your Highness' telegram relative to the sale to the British Government of the Suez Canal shares belonging to the Egyptian Government. Your Highness is aware that at the time of the constitution of the Canal Company part of the shares were subscribed by the Egyptian Treasury. Up to the present time, these shares have never been in any respect or in any manner of the slightest use to the Government, and were, to my great regret, a heavy burthen upon the Treasury. Certain bankers made proposals for the purchase of these shares; while this sale was being negotiated, the English Government manifested the wish to acquire them on much more advantageous terms, and as these shares are similar to the shares of other companies which are bought and sold daily, the Egyptian Government has sold them to the English Government, and has thus made a profit on the shares, which were their property, and which, as has been said above, were never of any use to them.

It is thus that the transaction took place.

No. 32.

The Earl of Derby to Major-General Stanton.

FOREIGN OFFICE, *December* 31, 1875.

Sir,—I have to inform you that the Lords Commissioners of Her Majesty's Treasury have signified their approval of the steps you have taken for the completion of a Register of the Suez Canal Shares purchased by Her Majesty's Government, as reported in your Despatch of the 4th instant.

I am, &c.,

(Signed) DERBY.

No. 33.

The Secretary to the Admiralty to Lord Tenterden.

ADMIRALTY, *December* 31, 1875.

The Secretary of the Admiralty presents his compliments to the Under Secretary of State for Foreign Affairs, and, with reference to Admiralty letter of the 20th instant, begs to inform him that Her Majesty's ship 'Malabar' has arrived at Portsmouth.

No. 34.

Major-General Stanton to the Earl of Derby.—(Received January 1, 1876.)

CAIRO, *December* 15, 1875.

My Lord,—I have the honour to inform your Lordship that the registration of the shares in the Suez Canal Company, recently purchased by Her Majesty's Government from His Highness the Khedive, has been completed in Her Majesty's Legal Vice-Consulate in this city in the presence of a delegate from the Egyptian Ministry of Finance, and I have the honour to forward herewith one copy of the Register which has been made, each page of which is attested by the signature of Mr. Wallis, Her Majesty's legal Vice-Consul, and by the seal of the Egyptian delegate, a second copy similarly attested being retained in the archives of the Vice-Consulate.

The verification of these shares was conducted in the most careful manner by Mr. Wallis, each packet being opened and counted in the presence of the Egyptian delegate, and the numbers borne by the shares entered in the Register, which shows that 176,602 shares, numbering from No. 223,399 to No. 400,000, both inclusive, have been handed over to Her Majesty's Government.

I have caused these shares to be packed in four zinc-lined cases, which are addressed to your Lordship, and are marked respectively A, B, C, and D, each case bearing also the seal of the Cairo Consular Court, and am awaiting the arrival of Her Majesty's ship 'Malabar' at Alexandria to hand over the cases for transmission to England, in charge of the officer commanding that ship, to whom also I entrust this Despatch.

Another copy of the Register will be forwarded by post.

I have, &c.,

(Signed) EDWD. STANTON.

No. 35.

Mr. Stronge to Lord Tenterden.

TREASURY CHAMBERS, *January* 3, 1876.

My Lord,—I am directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, for the information of the Earl of Derby, that, on the 1st instant, the four cases containing the Suez Canal shares were handed over by the Captain of Her Majesty's ship 'Malabar' to an officer of this Department, and were deposited on the same day at the Bank of England to the orders of the Chancellor of the Exchequer and Baron de Rothschild.

I am to add that the boxes will be opened and the contents verified at the Bank, and that my Lords have forwarded for comparison the Register of Shares inclosed in your letter of the 1st instant. This will be returned to this Department when the examination of the shares is completed.

I am, &c.,

(Signed) CHARLES W. STRONGE, *pro Sec.*

No. 36.

Mr. Lingen to Lord Tenterden.

TREASURY CHAMBERS, *January* 5, 1876.

Sir,—I am directed by the Lords Commissioners of Her Majesty's Treasury to request you to inform the Secretary of State for Foreign Affairs that they have this day learned from the Bank of England that the four cases containing 176,602 shares in the Suez Canal Company have been opened and the contents verified.

The Chief Cashier states that the register of the shares appears to be correct except in the following instances, viz.:—

Share No. 253,929 is in duplicate, No. 253,928 being missing.

Share No. 271,300 is also in duplicate, No. 271,299 being missing.

I am to request that such steps may be taken, in order to procure the correction of the errors, as Lord Derby considers most suitable.

I am, &c.,

(Signed) R. R. W. LINGEN.

No. 37.

The Earl of Derby to Major-General Stanton.

FOREIGN OFFICE, *January* 7, 1876.

Sir,—I transmit herewith a copy of a letter from the Lords Commissioners of Her Majesty's Treasury stating that the shares in the Suez Canal lately purchased by Her Majesty's Government having been deposited at the Bank of England, certain errors have been discovered in the register of the shares, and I have to instruct you to furnish me with as full an explanation as you can obtain respecting this matter.

I am, &c.,
(Signed) DERBY.

No. 38.

Major-General Stanton to the Earl of Derby.—(Received January 10, 1876.)

CAIRO, *December* 31, 1875.

My Lord,—I had the honour to forward to your Lordship with my Despatch of the 15th instant, one copy of the Register of the Suez Canal Shares purchased by Her Majesty's Government from the Khedive; and I have now, in compliance with the instructions contained in your Lordship's Despatch of the 26th ultimo, the honour to forward a certified copy of that Register which has been prepared by Her Majesty's Legal Vice-Consul at this place.

I have, &c.,
(Signed) EDWD. STANTON.

INDEX TO PAPER (D).

Schedule.

No.	Date	From and to whom	Subject	Pge.
1.	Nov. 15, 1875	Earl of Derby to Major-Gen. Stanton	To inquire whether some French capitalists are offering to buy the Khedive's Suez Canal shares.	
2.	Nov. 18, 1875 (Rec. Nov. 28)	Major-Gen. Stanton to Earl of Derby	Offers for the shares have been received from France and elsewhere, and the Khedive's necessities will oblige him to pledge them; but he has no intention, at present to sell them. Should he change his views, he will give H. M. Gov^{t}. the first option of purchase.	
3.	Nov. 20, 1875	Earl of Derby to Lord Lyons	Reporting a conversation with M. Gavard, in which Lord Derby explained the pre-eminent interest which England has in the Canal, and the reasons why H. M. Gov^{t}. would object to its being mainly under the control of France.	
4.	Nov. 25, 1875	Earl of Derby to Major-Gen. Stanton	H. M. Gov^{t} agrees to buy the Viceroy's Canal shares for 4,000,000*l.* Messrs. Rothschild, as agents for H. M. Gov^{t}., will provide the money.	
5.	Nov. 26, 1875	Mr. W. H. Smith to Lord Tenterden (Two Inclosures)	Transmitting copies of correspondence between the Treasury and Messrs. Rothschild relative to advance of money for purchase of the Canal shares.	

Schedule—continued.

No.	Date	From and to whom	Subject	Pge.
6.	Nov. 27, 1875 (Rec. Dec. 6)	Major-Gen. Stanton to Earl of Derby (One Inclosure)	Inclosing copy of Agreement by which the Khedive has transferred his Canal shares to H. M. Gov^t^. They are now deposited in the British Consulate at Cairo. By the Agreement 5 per cent. interest, to be charged on the revenues of Egypt, is to be paid to H. M. Gov^t^. until the coupons are set free from an existing engagement with the Canal Company.	
7.	Nov. 27, 1875	Mr. Lister to Sir S. Northcote	Informing him that seven boxes containing the purchased shares are lodged in H. M. Consulate at Cairo, and that Gen. Stanton has been instructed to have two lists of the shares made, and has been asked how the shares ought to be forwarded to London.	
8.	Nov. 27, 1875	Earl of Derby to Lord Lyons	Has seen the French ambassador, and explained to him the propriety of the purchase.	
9.	Nov. 30, 1875 (Rec. Dec. 1)	Lord Lyons to Earl of Derby (Two Inclosures)	Forwarding copy of, and commenting on, a circular letter, in which M. de Lesseps has indicated his cordial approval of England's purchase. Inclosing also an extract from the 'Journal des Débats,' presenting a statement of the various stocks of the Suez Canal Company.	

Schedule—continued.

No.	Date	From and to whom	Subject	Pge.
10.	Nov. 29, 1875 (Rec. Dec. 3)	Sir A. Paget to Earl of Derby (One Inclosure)	Inclosing extract from an Italian newspaper referring to England's former hostility to the Canal, and commending her present policy. He thinks that that policy is very favourably judged in Italy.	
11.	Dec. 3, 1875	Lord Tenterden to Admiralty	Suggesting that H. M. Ship 'Malabar' should call at Alexandria and bring the shares to England.	
12.	Dec. 3, 1875	Admiralty to Lord Tenterden	Orders given that the 'Malabar' shall call at Alexandria for the shares.	
13.	Nov. 27, 1875 (Rec. Dec. 6)	Major-Gen. Stanton to Earl of Derby	The Khedive proposes to sell to H. M. Gov^t. his right to 15 per cent. of the net revenue of the Canal. The proposal not likely to be accepted.	
14.	Dec. 4, 1875	Earl of Derby to Lord Lyons	Has acquainted the French ambassador with the above proposal.	
15.	Nov. 29, 1875 (Rec. Dec. 6)	Lord Odo Russell to Earl of Derby	Prince Bismarck highly approves the policy of H. M. Gov^t. in purchasing the shares.	
16.	Nov. 30, 1875	Earl of Derby to Lord Odo Russell	To thank Prince Bismarck for his friendly opinion.	
17.	Dec. 1, 1875 (Rec. Dec. 6)	Mr. Monson to Sir A. Buchanan	Public opinion in Hungary generally favourable to England's purchase.	

Schedule—continued.

No.	Date	From and to whom	Subject	Pge.
18.	Dec. 6, 1875	Earl of Derby to Col. Stokes	Requesting him to accompany Mr. Cave on a special mission to Egypt, and to confer with Gen. Stanton as to means of securing to England the full benefit of the purchase of the shares.	
19.	Dec. 6, 1875	Earl of Derby to Major-Gen. Stanton	H. M. Gov^{t}. decline the offer of the Khedive's 15 per cent., and think he would act improperly in selling that revenue and surrendering his control over the Canal. He should wait until he can consult Mr. Cave on the subject.	
20.	Dec. 3, 1875 (Rec. Dec. 8)	Sir A. Paget to Earl of Derby	Had spoken with Chevalier Venosta, who applauded England's purchase of the shares as advantageous to all nations.	
21.	Dec. 10, 1875	Earl of Derby to Lord Lyons	To intimate to M. de Lesseps that H. M. Gov^{t}. are much pleased with his Circular, and entertain a high sense of his merit.	
22.	Dec. 4, 1875 (Rec. Dec. 12)	Major-Gen. Stanton to Earl of Derby	Transmitting copy of instructions he has given to Vice-Consul Wallis to prepare a register of the Canal shares, and stating that he has ventured to authorise Mr. Wallis to engage temporary assistance in the laborious work.	

Schedule—continued.

No.	Date	From and to whom	Subject	Pge.
23.	Dec. 14, 1875	Earl of Derby to Sir A. Paget	Approving what Sir A. Paget said in conversation with Chevalier Venosta.	
24.	Dec. 16, 1875	Admiralty to Mr. Lister	Capt. Willoughby has telegraphed the departure of the 'Malabar' from Alexandria with the shares on board.	
25.	Dec. 17, 1875	Lord Tenterden to Admiralty	Requesting to have notice when the 'Malabar' is sighted.	
26.	Dec. 17, 1875	Earl of Derby to Major-Gen. Stanton	Approving his instructions to Vice-Consul Wallis to draw up a register of the Canal shares.	
27.	Dec. 11, 1875 (Rec. Dec. 18)	Major-Gen. Stanton to Earl of Derby	Has informed the Khedive that H. M. Gov^{t}. decline his offer of the 15 per cent., and that he ought to know Mr. Cave's views before taking any steps for the disposal of that revenue. The Khedive has agreed to defer until he can consult Mr. Cave.	
28.	Dec. 16, 1875 (Rec. Dec. 20)	Sir A. Buchanan to Earl of Derby	Count Andrassy thinks the purchase will be of great advantage to Austrian commerce.	
29.	Dec. 20, 1875	Admiralty to Mr. Lister	The 'Malabar' expected at Portsmouth on 31st inst.	

Schedule—continued.

No.	Date	From and to whom	Subject	Pge.
30.	Dec. 17, 1875 (Rec. Dec. 27)	Major-Gen. Stanton to Earl of Derby	Has taken the shares to Alexandria for shipment on board the 'Malabar,' and entrusted them there to Capt. Willoughby for said shipment. The 'Malabar' left Alexandria on the 16th with the shares on board.	
31.	Dec. 17, 1875 (Rec. Dec. 27)	Major-Gen. Stanton to Earl of Derby (Two Inclosures)	Communication between the Porte and the Khedive relative to the purchase.	
32.	Dec. 31, 1875	Earl of Derby to Major-Gen. Stanton	The Treasury approve Gen. Stanton's instructions to Mr. Wallis respecting the registration of the shares.	
33.	Dec. 31, 1875	Admiralty to Lord Tenterden	The 'Malabar' has arrived at Portsmouth.	
34.	Dec. 15, 1875 (Rec. Jan. 1, 1876)	Major-Gen. Stanton to Earl of Derby	Sends certified copy of register of the shares.	
35.	Jan. 3, 1876	Mr. Stronge to Lord Tenterden	The cases delivered at the Treasury, and then deposited at the Bank of England to be there verified.	
36.	Jan. 5, 1876	Mr. Lingen to Lord Tenterden	Contents of the cases compared with the register and two errors detected.	

Schedule—continued.

No.	Date	From and to whom	Subject	Pge.
37.	Jan. 7, 1876.	Earl of Derby to Major-Gen. Stanton	Calling his attention to the errors.	
38.	Dec. 31, 1875 (Rec. Jan. 10, 1876)	Major-Gen. Stanton to Earl of Derby	Sending a second copy of the register as promised.	

PRÉCIS OF PAPER (D).

Précis of Correspondence respecting the Purchase by Her Majesty's Government of the Suez Canal Shares belonging to the Egyptian Government. (Nov. 1875—Jan. 1876.)

No. 1. General Stanton, British Consul at Cairo, was requested by Lord Derby to inquire into the truth of the report that some French capitalists were offering to buy the
No. 2. Khedive's interest in the Suez Canal; and, finding the report to be true, he procured a suspension of the negotiations until further instructions could be received from Lord Derby. He informed his Lordship that the Viceroy urgently required three or four million pounds within three weeks, and the Earl replied that Her Majesty's Government was disposed to purchase the Khedive's shares.

No. 3. M. Gavard, at an interview with Lord Derby, asked how England would regard the selling of these shares to a French Company. Lord Derby remarked that more than three-fourths of the shipping using the Canal was British, and that we were more interested than any other European nation in the proper management of that portion of the highway to India. It might be well that an International Commission had the control of it; but now if the Khedive's shares be transferred to another French Company the Canal will be mainly under French

influence; and to that Her Majesty's Government would
certainly be opposed.
No. 4. Word came from the Khedive that he would sell the
shares to Her Majesty's Government for 4,000,000*l.*, and
Lord Derby accepted the offer, engaging to recommend
No. 5. to Parliament to sanction the contract. There being then
no Parliamentary authority to sanction it, Messrs.
Rothschild agreed to act as agents of the Government
and to advance the money, and were to have 2½ per
cent. commission for their agency, and 5 per cent. per
No. 6. annum interest on the loan. The shares, 176,602 in
number, were transferred to Her Majesty's Government,
and deposited in the British Consulate at Cairo, under
an agreement stipulating that 5 per cent. interest, to be
charged on the revenues of Egypt, was to be paid to Her
Majesty's Government until the coupons were set free
from an existing engagement with the Canal Company.
No. 9. An article from the 'Journal des Débats,' forwarded to
Lord Derby, stating the various stocks of the Canal
Company, included mention of 120,000 assignments of
dividends on the Khedive's shares having been made by
him to the Company for a period ending in 1894.

England's purchase of the shares produced general
satisfaction on the continent as advantageous to all
European nations. M. de Lesseps himself hailed it with
cordial approval, now that England was no longer hostile
Nos. to the Canal. Public opinion in Italy and Hungary
10, 20, was favourable to it. Prince Bismarck said that
17, 15, England had 'done the right thing at the right mo-
28. ment;' and Count Andrassy viewed it as highly ad-
vantageous to Austrian commerce.

No. 13. After completion of the arrangements for the sale of
the Viceroy's shares, he proposed to sell to Her Majesty's
Government his right to 15 per cent. of the net revenue
No. 19. of the Canal; but the offer was declined. At the same
time he was reminded that the 5 per cent. interest to be
paid by him formed a primary charge on the revenues of
Egypt, and he was requested to consider whether he
could with propriety part with the 15 per cent. revenue,
and lose that control over the Canal which was secured
to him by the Company, and confirmed by the Porte.
No. 27. It was represented to him also that by his own request
Mr. Cave was coming, on a special mission, to confer

with him on the subject of the Egyptian finances, and that the Envoy should be consulted before any steps were taken for the disposal of the 15 per cent. revenue. To this the Viceroy yielded.

Nos. 34, 30, 11, 12. Gen. Stanton having caused a register in duplicate to be made of the Canal shares, sent a copy of it to Lord Derby, and then had them packed in four cases which he took with him to Alexandria to be embarked there in Her Majesty's ship 'Malabar' according to instructions from the Admiralty. (Nos. 33, 35.) The vessel brought the cases to Portsmouth on Dec. 31, 1875, and they were received by the Treasury and sent to the Bank of England to be verified there by comparison with the register. (Nos. 36, 37.) They were found correct except in two instances, to which Gen. Stanton's attention was then called.

PAPER (E).

Correspondence with the Government of Canada in connexion with the Appointment of the Joint High Commission and the Treaty of Washington.

No. 1.

Sir John Young to Earl Granville.

GOVERNMENT HOUSE, OTTAWA, *June* 9, 1870.
(Received *June* 22, 1870.)

My Lord,—I have the honour to forward, herewith, a copy of a Minute of the Privy Council, recommending that the Honourable Alex. Campbell, the Postmaster-General, should be authorised to proceed to England, in order to endeavour to 'induce Her Majesty's Government to take prompt action in the several matters' which are set forth in the Minute.

2. Mr. Campbell is the Ministerial leader in the senate, a gentleman of ability and standing, and well versed in Canadian affairs.

He leaves for England in ten days or so from this date.

I have, &c.,
The Earl Granville, K.G., (Signed) JOHN YOUNG.
&c. &c. &c.

Inclosure in No. 1.

Copy of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 9th June, 1870.

The Committee of the Privy Council having recently had under their consideration a number of questions of great importance to the Dominion—among which are the proposed withdrawal of Imperial troops from Canada, the question of fortifi-

cations, the recent invasion of Canadian territory by citizens of the United States, and the previous threats and hostile preparations which compelled the Government to call out the militia, and to obtain the consent of Parliament to the suspension of the Habeas Corpus Act, the systematic trespasses on Canadian fishing grounds by United States' fishermen, and the unsettled question as to the limits within which foreigners can fish under the Treaty of 1818—are of opinion that it is desirable that their views on all these questions should be personally represented to Her Majesty's Government by a member of the Privy Council; and they recommend that the Honourable the Postmaster-General be requested to proceed to England, and to endeavour to induce Her Majesty's Government to take prompt action in the several matters above referred to, in accordance with the views expressed in the Minutes of Council relating thereto, and in any other Minutes which may hereafter be referred to him.

The Committee of Council are of opinion that the Postmaster-General should call the attention of Her Majesty's Government to the reports of the 15th and 20th of December last from the Minister of Marine and Fisheries, and should urge the importance of securing, with as little delay as possible, the restoration to Canada of the rights which she enjoyed prior to the Reciprocity Treaty, under the interpretation given to the Treaty of 1818 by the Crown law officers of England.

The Committee of Council cannot conceal their apprehension that if the citizens of the United States are any longer permitted, as they have been doing the last four years, to fish in waters where, according to our interpretation of the Treaty of 1818, they are trespassers, it may be more difficult to obtain an amicable solution of the point in dispute.

The Committee of Council are fully alive to the importance of taking action at an early period with regard to the construction of a Pacific railroad through Canadian territory; but they think it better to postpone the consideration of the subject until after the departure of the delegates from British Columbia, when instructions will be sent to the Postmaster-General on this important subject.

(Certified) WM H. LEE,
Clerk, Privy Council.

No. 2.

Sir John Young to Earl Granville

NIAGARA, *July* 6, 1870.
(Received *July* 26, 1870.)

My Lord,—I have the honour to forward herewith a copy of a Minute of the Privy Council of the Dominion, covering certain memoranda which have been given to the Honourable A. Campbell for his guidance in bringing under the notice of Her Majesty's Government the present position of the Canadian fishery question, and the views of this Government thereon.

I have, &c.
JOHN YOUNG.

The Earl Granville, K.G.,
&c. &c. &c.

Inclosure in No. 2.

Copy of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council, on 1st July, 1870.

On a report, dated 20th June, 1870, from the Honourable the Minister of Marine and Fisheries, submitting for the information of your Excellency in Council a memorandum and documents on the fishery question prepared for the Honourable Mr. Campbell in connexion with his mission to England, under the Minute of Council of 9th ult., and stating that these papers inform him of the position of the question at the present time, and of the views expressed on various occasions for several years past by the British and Canadian Governments; and that the instructions which may be addressed to Mr. Campbell with reference to bringing to an early settlement all matters that have been admitted into dispute between the British and American Governments affecting the fisheries should embrace the following principal points:—

1. That fishing rights in British American waters shall be in future enforced as they existed and were maintained under the Treaty of 1818, anterior to the Reciprocity Treaty of 1854, in accordance with the laws of nations.

2. That failing such positive enforcement of these undoubted rights, the question arising out of the said Treaty as to the

definition of certain limits of exclusion, by headland lines, be referred to a mixed Commission, to be named by the British and American Governments, and to be composed of one Imperial, one United States, and one Canadian Commissioner, providing some independent reference in case of need; the principle on which such Commission shall be chosen and act to be as provided in the Earl of Clarendon's Despatch of May 11th, 1866.

3. That such mixed Commission shall be formed during the current year, and shall, in order to facilitate speedy reference, hold its sittings either at Halifax, Washington, or Ottawa, the negotiations and preliminary arrangements for the same to be carried out between the Governor-General of Canada and the United States Government, through the British Minister at the American capital.

The Committee recommend that the report of the Honourable the Minister of Marine and Fisheries be approved and acted on.

(Certified) WM. H. LEE,
Clerk, Privy Council.

No. 3.

The Earl of Kimberley to Sir John Young.

DOWNING STREET, *July* 27, 1870.

Sir,—On receiving from Her Majesty the seals of this office, I took an early opportunity of communicating with Mr. Campbell, the Postmaster-General of Canada, who has come to England to place before Her Majesty's Government the views of your Government on various questions connected with the Dominion. Mr. Campbell brought under my consideration the following subjects:—The first was the protection of the Canadian fisheries from encroachments by foreign fishing vessels. On this point I concur with your ministers that it would be desirable that the questions which have been so long in dispute with the United States as to the geographical limits of the exclusive fishing rights of Canada under the Treaty of 1818, should be settled by a joint British and American Commission, on which the Dominion should be represented. Her Majesty's Government

will propose to the United States Government the appointment of such a Commission.

Now that the instructions given to Her Majesty's cruisers and the Government vessels of Canada have been brought into harmony, I do not think it necessary, in this Despatch, to make any observations on the details of those instructions. I will only remark that I am most anxious to avoid any misunderstanding on this subject between the Imperial and Canadian Governments, and with this view the regulations to be issued for the fishing season of 1871 should be considered by the two Governments in good time before the season commences. Their nature must, of course, much depend on the establishment and progress of the proposed Commission, but I shall gladly receive from your Government, at the proper time, any statement on this subject, and shall give it my best attention.

2. The Bill authorising the guarantee of the Fortification Loan, on which Mr. Campbell expressed some anxiety, is already before Parliament.

3. Mr. Campbell pressed strongly upon me that a representation should be made to the United States Government, with reference to the late Fenian incursion into Canada, which has awakened such just feelings of indignation in the Dominion, and he urged the claims of Canada for reparation for the losses which she has sustained by that incursion. Her Majesty's Government have carefully considered what steps it would be advisable to take in this matter, and I have to acquaint you that they are of opinion that, in the first instance, your ministers should draw up a full and authentic statement of the facts, and of the claims which they found upon them. This statement should be transmitted by you to Her Majesty's Government, in order that it may be laid by them before the Government of the United States, and I need scarcely say that whilst it should contain everything which is material to the case, it should be a document of such a character as may properly be communicated to the Government of a State with which Her Majesty is on terms of amity.

4. Mr. Campbell, whilst stating the entire willingness of the Canadian Government to take measures for the defence of the Dominion, expressed a hope that an Imperial garrison would be maintained at Quebec. You are so well acquainted with the general policy of Her Majesty's Government as to the distribution of Imperial troops, that I need not enter into any further explanation of that policy; and as regards the particular

question of the garrison of Quebec, you are already aware that it has been decided that a battalion of infantry and a battery of artillery shall remain there during the coming winter. I cannot conclude without acknowledging the able and temperate manner in which Mr. Campbell brought under my consideration the various questions which have been discussed between us. The opportunity which I have had of explaining to him the views of Her Majesty's Government has made it unnecessary for me to do more than briefly indicate in this Despatch the course which it is proposed to take.

I have, &c.,
KIMBERLEY.

Sir John Young, Bart., G.C.B.,
&c. &c. &c.

No. 4.

The Earl of Kimberley to the Lord Lisgar

(Confidential.)

DOWNING STREET, *February* 16, 1871.

My Lord,—You have already been informed by telegram of the views of Her Majesty's Government upon the fishery questions, but I think it will be convenient, with reference to the pending negotiations, that a somewhat fuller statement of those views should now be placed on record.

It would not be possible for Her Majesty's Government to pledge themselves to any foregone conclusion upon any particular point connected with these negotiations, but they have anxiously considered the questions which concern Canada, and they feel confident that the Canadian Government will agree with them that a satisfactory termination of the difficulties which have arisen with the United States can only be attained by taking as broad and liberal a view as is consistent with the just rights and real interests of the Dominion.

As at present advised, Her Majesty's Government are of opinion that the right of Canada to exclude Americans from fishing in the waters within the limits of three marine miles of the coast is beyond dispute, and can only be ceded for an adequate consideration.

Should this consideration take the form of a money payment, it appears to Her Majesty's Government that such an arrangement would be more likely to work well than if any

conditions were annexed to the exercise of the privilege of fishing within the Canadian waters.

The presence of a considerable number of cruisers would always be necessary to secure the performance of such conditions, and the enforcement of penalties for the non-observance of them would be certain to lead to disputes with the United States.

With respect to the question, what is a bay or creek, within the meaning of the first Article of the Treaty of 1818, Her Majesty's Government adhere to the interpretation which they have hitherto maintained of that Article; but they consider that the difference which has arisen with the United States on this point might be a fit subject for compromise.

The exclusion of American fishermen from resorting to Canadian ports, 'except for the purpose of shelter and of repairing damages therein, of purchasing wood, and of obtaining water,' might be warranted by the letter of the Treaty of 1818, and by the terms of the Imperial Act 59 George III., cap. 38, but Her Majesty's Government feel bound to state that it seems to them an extreme measure, inconsistent with the general policy of the empire, and they are disposed to concede this point to the United States Government, under such restrictions as may be necessary to prevent smuggling, and to guard against any substantial invasion of the exclusive rights of fishing which may be reserved to British subjects.

In conclusion I have to state that Her Majesty fully appreciates the loyal and prompt manner in which the Canadian Government have assented to the appointment of the Commission which is about to sit at Washington. The high character and recognised ability of the British Commissioners afford ample security that the interests of Canada will be carefully protected during the forthcoming negotiations.

I am, &c.
KIMBERLEY.

The Lord Lisgar,
&c. &c. &c.

No. 5.

The Earl of Kimberley to the Lord Lisgar.

DOWNING STREET, *March* 17, 1871.

My Lord,—In answer to your telegram received on the 10th instant, stating that in the opinion of your Government the Canadian fisheries cannot be sold without the consent of the Dominion, I have already informed your Lordship by telegraph that Her Majesty's Government never had any intention of advising Her Majesty to part with those fisheries without such consent.

When the Reciprocity Treaty was concluded, the Acts of the Nova Scotia and New Brunswick Legislatures relating to the fisheries were suspended by Acts of those Legislatures, and the fishery rights of Canada are now under the protection of a Canadian Act of Parliament, the repeal of which would be necessary in case of the cession of those rights to any foreign power.

I think it right, however, to add that the responsibility of determining what is the true construction of a Treaty made by Her Majesty with any foreign power, must remain with Her Majesty's Government, and that the degree to which this country would make itself a party to the strict enforcement of Treaty rights may depend—not only on the literal construction of the Treaty, but—on the moderation and reasonableness with which those rights are asserted.

I have, &c.,
KIMBERLEY.

The Lord Lisgar,
&c. &c. &c.

No. 6.

The Earl of Kimberley to the Lord Lisgar.

DOWNING STREET, *June* 17, 1871.

My Lord,—I have the honour to inclose herewith copies of the Treaty signed at Washington on May 8th by the Joint High Commissioners, which has been ratified by Her Majesty and by the President of the United States, and of the instructions to Her Majesty's High Commissioners, and protocols of the conferences held by the Commission.

The Dominion is, from its geographical position as the immediate neighbour of the United States, so peculiarly interested in the maintenance of cordial relations between that republic and the British empire, that it must be a source of satisfaction to the Canadian Government that Her Majesty has been able to conclude a Treaty for the amicable settlement of differences which might have seriously endangered the good understanding between the two countries.

Moreover, the rules laid down in Article 6 as to the international duties of neutral Governments are of special importance to the Dominion, which carries on such an extensive and increasing maritime commerce, and possesses such a considerable merchant navy.

But independently of the advantages which Canada must derive from the removal of the causes of difference with the United States, arising out of occurrences during the civil war, Her Majesty's Government believe that the settlement which has been arrived at of the questions directly affecting British North America cannot fail to be beneficial to the Dominion. I need not refer to the well-known history of the fishery question further than to observe, that ever since the termination by the British Government, in consequence of the war of 1812, of the liberty enjoyed under the Treaty of 1783 by American citizens of fishing in the territorial waters of the British colonies, and the renunciation by the United States in the Treaty of 1818 of all claim to that liberty, this question has, in different forms, been the subject of controversy with the United States. Her Majesty's Government have always contended for the rights of the colonies, and they have employed the British naval forces in the protection of the colonial fisheries; but they could not overlook the angry feelings to which this controversy has given rise, and the constant risk that in the enforcement of the exclusion of American fishermen from the colonial waters a collision might take place which might lead to the most serious consequences, and they would have been wanting in their duty if they had not availed themselves of the opportunity presented by the late negotiation to remove a cause of perpetual irritation and danger in the relations of this country and the Dominion with the United States.

The Canadian Government itself took the initiative in suggesting that a joint British and American Commission should be appointed with a view to settle the disputes which had arisen as to the interpretation of the Treaty of 1818; but it was cer-

tain that however desirable it might be, in default of any complete settlement, to appoint such a Commission, the causes of the difficulty lay deeper than any question of interpretation, and the mere discussion of such points as the correct definition of bays could not lead to a really friendly agreement with the United States. It was necessary, therefore, to endeavour to find an equivalent which the United States might be willing to give in return for the fishery privileges, and which Great Britain, having regard both to Imperial and Colonial interests, could properly accept. Her Majesty's Government are well aware that the arrangement which would have been most agreeable to Canada was the conclusion of a Treaty similar to the Reciprocity Treaty of 1854, and a proposal to this effect was pressed upon the United States' Commissioners, as you will find in the 36th protocol of the Conferences. This proposal was, however, declined, the United States' Commissioners stating 'that they could hold out no hope that the Congress of the United States would give its consent to such a tariff arrangement as was proposed, or to any extended plan of reciprocal free admission of the products of the two countries.' The United States' Commissioners did, indeed, propose that coal, salt, and fish should be reciprocally admitted free, and lumber after the 1st of July 1874; but it is evident that, looked at as a tariff arrangement, this was a most inadequate offer, as will be seen at once when it is compared with the long list of articles admitted free under the Reciprocity Treaty. Moreover, it is obvious, from the frank avowal of the United States' Commissioners, that they only made this offer because one branch of Congress had recently, more than once, expressed itself in favour of the abolition of duties on coal and salt, and because Congress had partially removed the duty from lumber, and the tendency of legislation in the United States was towards the reduction of taxation and of duties, so that to have ceded the fishery rights in return for those concessions would have been to exchange them for commercial arrangements which there is reason to believe may, before long, be made without any such cession, to the mutual advantage of both the Dominion and the United States; and Her Majesty's Government are bound to add, that whilst, in deference to the strong wishes of the Dominion Government, they used their best efforts to obtain a renewal in principle of the Reciprocity Treaty, they are convinced that the establishment of free trade between the Dominion and the United States is not likely to be promoted by making admission to the fisheries dependent upon the con-

clusion of such a Treaty, and that the repeal by Congress of duties upon Canadian produce on the ground that a protective tariff is injurious to the country which imposes it, would place the commercial relations of the two countries on a far more secure and lasting basis than the stipulations of a convention framed upon a system of reciprocity. Looking, therefore, to all the circumstances, Her Majesty's Government found it their duty to deal separately with the fisheries, and to endeavour to find some other equivalent; and the reciprocal concession of free fishery with free import of fish and fish oil, together with the payment of such a sum of money as may fairly represent the excess of value of the Colonial over the American concession, seems to them to be an equitable solution of the difficulty. It is perfectly true that the right of fishery on the United States' coasts, conceded under Article 19, is far less valuable than the right of fishery in Colonial waters, conceded under Article 18 to the United States; but, on the other hand, it cannot be denied that it is most important to the Colonial fishermen to obtain free access to the American market for their fish and for fish oil, and the balance of advantage on the side of the United States will be duly redressed by the arbitrators under Article 22. In some respects a direct money payment is, perhaps, a more distinct recognition of the rights of the Colonies than a tariff concession, and there does not seem to be any difference in principle between the admission of American fishermen for a term of years in consideration of the payment of a sum of money in gross, and their admission under the system of licenses calculated at so many dollars per ton, which was adopted by the Colonial Government for several years after the termination of the Reciprocity Treaty. In the latter case it must be observed the use of the fisheries was granted without any tariff concession whatever on the part of the United States, even as to the importation of fish.

Canada could not reasonably expect that this country should, for an indefinite period, incur the constant risk of serious misunderstanding with the United States, imperilling, perhaps, the peace of the whole Empire, in order to endeavour to force the American Government to change its commercial policy; and Her Majesty's Government are confident that when the Treaty is considered as a whole, the Canadian people will see that their interests have been carefully borne in mind, and that the advantages which they will derive from its provisions are commensurate with the concessions which they are called upon to make.

There cannot be a question as to the great importance to Canada of the right to convey goods in bond through the United States, which has been secured to her by Article 29; and the free navigation of Lake Michigan under Article 28, and the power of transhipping goods under Article 30, are valuable privileges which must not be overlooked in forming an estimate of the advantages which Canada will obtain. Her Majesty's Government have no doubt that the Canadian Government will readily secure to the citizens of the United States, in accordance with Article 27, the use of the Canadian canals, as by the liberal policy of the Dominion those canals are already opened to them on equal terms with British subjects, and they would urge upon the Dominion Parliament and the Legislature of New Brunswick that it will be most advisable to make the arrangement as to duties on lumber floated down the St. John River, upon which the execution of Article 30 as to the transhipment of goods is made contingent.

The freedom to navigate the St. Lawrence, which is assured to the United States by Article 26, has long existed in fact, and its recognition by Treaty cannot be prejudicial to the Dominion, which moreover obtains in return the free use of certain rivers on the Pacific side of the continent.

I must not omit to notice that by Article 34 the dispute as to the island of St. Juan is to be submitted to arbitration, and provision has thus happily been made for the amicable termination of a long standing and difficult controversy, at a time when, in consequence of the union of British Columbia with the Dominion, this boundary question has become matter of interest to the whole Confederation of British Provinces.

I have thus gone through those parts of the Treaty which immediately touch the Dominion, but a question of much moment remains as to the course which should be taken during the present fishing season, pending the enactment by the respective Legislatures of the laws necessary to bring the fishery articles into operation.

I find that on the conclusion of the Reciprocity Treaty in June, 1854, and previous to its ratification, the then American Secretary of State, Mr. Marcy, expressed the hope of his Government that American fishermen would not be molested if they should at once attempt to use the privileges granted by that Treaty. A Despatch was therefore addressed to the governors of the North American Colonies, recommending that the wish of the United States' Government should be acceded

to, and that the American fishermen should be immediately admitted to the Colonial fisheries. The result was that the various Colonial Governments at once admitted the American fishermen to the fisheries, although the legislative acts necessary to give effect to the Treaty were not passed till late in the autumn. It is evidently most desirable that a similar course should be pursued on the present occasion : and you will perceive from the notes which have passed between Sir E. Thornton and Mr. Fish, copies of which I inclose, that the United States' Government have made an application similar to that which they made in 1854, and that Her Majesty's Government have engaged to recommend to the Colonial Governments that it should be acceded to. Her Majesty's Government are, of course, aware that the Colonial Governments have no power to set aside the fishery statutes by their own authority; but it is entirely within their power to take no active steps to enforce those statutes, and to suspend the instructions to the Colonial cruisers to exclude American citizens from the fisheries, just as it is in the power of Her Majesty's Government to suspend the action of Her Majesty's cruisers, although the Imperial Fishery Statute is still in force.

Her Majesty's Government have no desire whatever to attempt to interfere with the entire right of the Colonial Legislatures to refuse to pass the Acts necessary to give effect to the Treaty, though they would deeply deplore that a course which they believe would be most impolitic should be taken; but, on the other hand, they have too much confidence in the wisdom of those free assemblies to anticipate any such result, and they are confident that the Canadian Government would be as desirous as Her Majesty's Government that no untoward collision should occur during the present season which might prejudice the fair consideration of the Treaty, both by the American Congress and the Colonial Parliaments, and that, on a full consideration of the circumstances, they will see that the responsibility of incurring the risk of such a collision would be far heavier than that of removing, so far as they have the power, the obstacles to the provisional enjoyment by American citizens of the privileges which it is intended by the Treaty to secure to them for a longer time.

I cannot conclude this Despatch without expressing the gratification which it has given Her Majesty's Government to have had the valuable assistance of Sir J. Macdonald in the negotiation of this Treaty. Whatever view may be taken in

Canada of the merits of the Treaty, it must be an unqualified cause of satisfaction to the Canadians to know that they were represented by a statesman holding so distinguished a position in the Canadian Government, and so well able, from his knowledge and experience, to put forward, with the greatest force and authority, the arguments best suited to promote the claims and interests of the Dominion.

I have, &c.

The Lord Lisgar, (Signed) KIMBERLEY.
&c. &c. &c.

Inclosures in No. 6.

WASHINGTON, *May* 12, 1871.

My Lord,—With reference to my Despatches of the 8th instant, I have the honour to inclose copy of a note addressed to me by Mr. Fish, expressing the hope entertained by the Government of the United States that Her Majesty's Government will urge the Government of the Dominion of Canada, of Prince Edward Island, and of Newfoundland to consent that American fishermen should be allowed to fish in the waters of the above Colonies during the coming season.

Your Lordship will observe that at the beginning of the second paragraph of the draft of the note which I forwarded in my first Despatch, the following words have been added:— 'The Government of the United States would be prepared at the same time to admit British subjects to the right of fishing in the waters of the United States specified in the Treaty; but . . . .'

I also inclose copy of my answer to Mr. Fish, and hope your Lordship will find that his note, with the addition above mentioned, and my answer, are in accordance with the terms of your Lordship's telegram of 9th instant, transmitted through Earl de Grey.

His Lordship has seen both the inclosed notes, and approves of their contents.

I have, &c.

The Earl Granville, K.G., EDWARD THORNTON.
&c. &c. &c.

DEPARTMENT OF STATE, WASHINGTON, *May* 8, 1871.

Sir,—As several articles of the Treaty which has been signed this day, relating to the admission of citizens of the United States to fish within the territorial waters of Her

Britannic Majesty on the coasts of Canada, Prince Edward Island, and Newfoundland, cannot come into full operation until the legislation contemplated in that instrument shall have taken place, and as it seems to be in accordance with the interests of both Governments, in furtherance of the objects and spirit of the Treaty, that the citizens of the United States should have the enjoyment of that liberty during the present season, I am directed by the President to express to you his hope that Her Majesty's Government will be prepared, in the event of the ratification of the Treaty, to make on their own behalf, and to urge the Governments of the Dominion of Canada, Prince Edward Island, and Newfoundland, to make for the season referred to within their respective jurisdictions such relaxations and regulations as it may respectively be in their power to adopt, with a view to the admission of American fishermen to the liberty which it is proposed to secure to them by the Treaty. The Government of the United States would be prepared at the same time to admit British subjects to the right of fishing in the waters of the United States, specified in the Treaty; but as the admission into the United States free of duty of any articles which are by law subject to duty cannot be allowed without the sanction of Congress, the President will, in case the above suggestion meets with the views of the British Government, recommend and urge upon Congress at their next session, that any duties which may have been collected on and after the 1st day of July next, on fish-oil and fish (except fish of the inland lakes and of the rivers falling into the same, and except fish preserved in oil), the produce of the fisheries of the Dominion of Canada and of Prince Edward Island, shall be returned and refunded to the parties paying the same, if a similar arrangement is made with respect to the admission into the British Possessions of fish-oil and fish (with the like exception) being the produce of the fisheries of the United States.

I have, &c.

HAMILTON FISH.

Sir E. Thornton, K.C.B.,
&c. &c. &c.

WASHINGTON, *May* 9, 1871.

Sir,—I have the honour to acknowledge the receipt of your note of yesterday's date, and to inform you in reply that I have been authorised by Earl Granville to state that in the event of the ratification of the Treaty signed yesterday, Her Majesty's Government will be prepared to recommend to the Governments

of the Dominion of Canada, Prince Edward Island, and Newfoundland, that the provisional arrangement proposed in your note above mentioned, with regard to the right of fishing by United States' citizens on the coasts of those British Possessions and by British subjects in the waters of the United States described in Article 19 of the Treaty, shall take effect during the coming season, on the understanding that the ultimate decision of this question must rest with the above-mentioned Colonial Governments, who would be asked to grant the immediate and certain right of fishing within the territorial waters of those Colonies, whilst the return of the import duties on fish from the 1st July next promised by the United States is prospective and contingent on the action of Congress.

I have, &c.
EDWARD THORNTON

The Hon. Hamilton Fish,
&c. &c. &c.

No. 7.

The Earl of Kimberley to the Lord Lisgar.

DOWNING STREET, *June* 20, 1871.

My Lord,—In accordance with the strong wish expressed by the Dominion Government, that a representation should be made to the United States with reference to the losses inflicted on Canada by the Fenian raids, Her Majesty's Government instructed the British High Commissioners to bring the claims arising out of those raids before the Joint High Commission.

Your Lordship will observe from the protocols of conferences, copies of which were transmitted to you in my Despatch of the 17th inst., that the American Commissioners declined to entertain the proposal made by the British Commissioners to include these claims in the Treaty.

Her Majesty's Government were well aware of the serious difficulties in the way of settling this question, and they could not, therefore, feel surprised at this result. At the same time, it was with much regret that they acquiesced in the omission of these claims from the general settlement of outstanding questions between Great Britain and the United States.

But it seemed to them evident that the British Commis-

sioners were right in thinking that there was no reasonable probability that by further pressing the point an agreement would be come to upon it with the American Commissioners, and when the choice lay between the settlement of all the other differences between the two countries on terms which Her Majesty's Government believed to be honourable to both, and beneficial alike to Canada and the rest of the Empire, and the frustration of all hope of bringing the negotiations to a satisfactory issue, they could not hesitate as to the course which it was their duty to take.

I have, &c.
KIMBERLEY.

The Lord Lisgar,
&c. &c. &c.

No. 8.

The Lord Lisgar to the Earl of Kimberley.

CACOUNA, *August* 15, 1871.
(Received *August* 30, 1871.)

My Lord,—With reference to your Lordship's Despatch of the 17th June, which I duly referred to the Privy Council of the Dominion, I have the honour to transmit, herewith, the report of a committee of that body, containing their views on the subject of the Treaty of Washington, in so far as it affects the interests of Canada.

I have, &c.
LISGAR.

The Earl of Kimberley,
&c. &c. &c.

No. 9.

The Earl of Kimberley to the Lord Lisgar.

DOWNING STREET, *November* 23, 1871.

My Lord,—Her Majesty's Government have not failed to consider with attention the report of the Committee of the Privy Council of the Dominion on the Treaty of Washington, which was inclosed in your Lordship's Despatch of August 15.

I need scarcely say that Her Majesty's Government regret that your ministers should have found so much to object to in the provisions of the Treaty, but they remain themselves of opinion, for the reasons which were fully stated in my Despatch of June 17 last, that, looked at as a whole, the Treaty is beneficial to the interests of the Dominion. I shall endeavour as far as possible to avoid entering into further discussion of the clauses of the Treaty which apply especially to Canada, as I cannot think that any advantage would result from a prolonged controversy between the two Governments as to the details of the Treaty and the manner in which the negotiation was conducted. There are, however, two or three statements in the report which it is necessary that I should not leave unnoticed.

The Committee seem to be under the impression that the right to participate in the Colonial inshore fisheries has been conceded to the United States without the previous consent of Canada. On this I have to observe that provision has been made for obtaining the assent of Canada in the manner which is strictly in accordance with constitutional usage, namely, by stipulating that the Fishery Articles shall not come into force without the previous assent of the Dominion Parliament. If the Crown were to conclude a similar Treaty as regards the fisheries of the United Kingdom, the assent of the Imperial Parliament would be reserved in no other manner.

I must also point out that the Committee are under an entire misapprehension in supposing that the cession of the fishery rights is to be made for 'what Her Majesty's Government have admitted to be an inadequate consideration.' If you will refer to my Despatch of June 17, you will find that it was there stated that 'the reciprocal concession of free fishing, with free import of fish and fish-oil, together with the payment of such a sum of money as may fairly represent the excess of value of the Colonial over the American concession, seems to Her Majesty's Government to be an equitable solution of the difficulty.'

Lastly, I must advert to the statement that 'when the Canadian Government took the initiative in suggesting the appointment of a joint British and American Commission they never contemplated the surrender of their territorial rights, and they had no reason to suppose that Her Majesty's Government entertained the sentiments expressed by the Earl of Kimberley in his recent Despatch. Had such sentiments been expressed to the delegate appointed by the Canadian Government to con-

fer with his Lordship a few months before the appointment of the Commission, it would at least have been in their power to have remonstrated against the cession of the inshore fisheries, and it would moreover have prevented any member of the Canadian Government from acting as a member of the Joint High Commission, unless on the clear understanding that no such cession should be embodied in the Treaty without their consent.'

It is true, no doubt, that in the conversation which I had with Mr. Campbell on the subject of the appointment of a joint British and American Commission, I did not allude to the possibility of such a Commission leading to an arrangement by which United States' fishermen should be admitted to participation in the Colonial inshore fisheries, but I could not then anticipate that an extended negotiation, embracing all the questions at issue between Great Britain and the United States, would arise out of the proposal to appoint a Commission upon the fisheries; and when the Joint High Commission was appointed, it was distinctly intimated through your Lordship to Sir John Macdonald, with reference to the fisheries, before he accepted the office of Commissioner, that it was impossible for Her Majesty's Government to pledge themselves to a foregone conclusion on any particular point before entering into the negotiation.

I am, &c.
KIMBERLEY.

The Lord Lisgar,
&c. &c. &c.

No. 10.

The Lord Lisgar to the Earl of Kimberley

GOVERNMENT HOUSE, OTTAWA, *January* 22, 1872.
(Received *February* 5, 1872.)

My Lord,—I have the honour to inclose, for your Lordship's consideration, a Minute of the Privy Council of the Dominion, which conveys the reply of that body to your Lordship's Despatch of the 23rd November last, and urges the request for an Imperial Guarantee to a Canadian loan not to exceed four millions, *i.e.*, half the amount to be expended on the railway to the Pacific, and the enlargement of the St. Lawrence canals.

2. This proposal the Council recommend as in their opinion

the best mode of adjusting all demands on the score of the Fenian claims, and of surmounting the difficulties in the way of obtaining the consent of the Canadian Parliament to the measures necessary to give effect to the Treaty of Washington.

I have, &c.
LISGAR.

The Earl of Kimberley,
&c. &c. &c.

No. 11.

The Earl of Kimberley to the Lord Lisgar.

DOWNING STREET, *March* 18, 1872.

My Lord,—Her Majesty's Government have given their most careful attention to the Report of the Committee of the Canadian Privy Council inclosed in your Lordship's Despatch of January 22. The Committee state, that while adhering to their opinions as to the Fishery Articles of the Treaty of Washington, they are yet most anxious to meet the views of Her Majesty's Government, and to be placed in a position to propose the necessary legislative measures. They maintain that Canada has a just claim for compensation for expenses incurred in consequence of the Fenian raids, but they are of opinion that the adoption of the principle of a money payment in satisfaction of those expenses would be of no assistance with reference to the Treaty, and would be open to objection on other grounds. They therefore suggest another mode of settlement by which, in their opinion, their hands might be so materially strengthened that they would be enabled, not only to abandon all claims on account of the Fenian raids, but likewise to propose to the Dominion Parliament, with a fair prospect of success, the measures necessary to give effect to the Treaty.

Their suggestion is, that Her Majesty's Government should propose to Parliament a guarantee for a Canadian loan, not exceeding four millions sterling, being half the amount (8,000,000*l.*) which it is intended to raise for the purpose of constructing the railroad through British territory to the Pacific, and of enlarging and extending the Canadian canals.

Her Majesty's Government have considered this suggestion with an earnest desire to remove the difficulties which are felt by the Canadian Government, and I have now to convey to you

the conclusions at which they have arrived. They are of opinion that the most convenient course will be that it should be provided in the Acts to be passed by the Dominion Parliament to give effect to the Treaty, that such Acts should only come into force upon the issue of a proclamation by the Governor-General in Council bringing them into operation. On their part, Her Majesty's Government will engage that when the Treaty shall have taken effect by the issue of such proclamation, they will propose to Parliament to guarantee a Canadian loan of 2,500,000*l*., such loan to be applied to the purposes indicated by the Council, namely, the construction of the railroad through British territory from Canada to the Pacific, and the improvement and enlargement of the Canadian canals, and to be raised at the same time and in equal proportion with the Canadian unguaranteed loan for the same objects, on the understanding that Canada abandons all claims on this country on account of the Fenian raids. As regards the request of the Privy Council that Her Majesty's Government will enable them to assure the Dominion Parliament that any recommendation made by Canada to terminate the Articles of the Trea y numbered 18 to 25 inclusive, and likewise Article 30 in conformity with Article 33, would be acted on, I may observe, that no such assurance was asked or given in the case of the Reciprocity Treaty, but Her Majesty's Government recognise that it is not unreasonable that Canada should desire some assurance on this point, and they have, therefore, no hesitation in declaring that the greatest deference would be paid to the expression of the wishes of the Dominion, signified by addresses from both Houses of the Dominion Parliament, and that those wishes would certainly be attended to, subject, of course, to the necessary reservation of Her Majesty's discretion to take into consideration, in the interests of the whole Empire, the state of her relations with foreign powers at the particular juncture.

I have already conveyed to your Lordship, by telegraph, the substance of this Despatch.

I have, &c.,

KIMBERLEY.

The Lord Lisgar,
&c. &c. &c.

INDEX TO PAPER (E).

Table of Contents.

No.	Date	From and to whom	Subject	Pge
1.	June 9, 1870 (Rec. June 22)	Sir John Young to Earl Granville (One Inclosure)	Inclosing copy of a Minute of the Canadian Privy Council proposing the mission of Mr. Campbell to England to consult about Canadian fishing rights, the recent invasion of Canadian territory by American citizens, &c.	
2.	July 6, 1870 (Rec. July 26)	Sir John Young to Earl Granville (One Inclosure)	Forwarding copy of another Minute of the Privy Council, instructing Mr. Campbell to urge the appointment of a Joint High Commission to settle the question of fishing boundaries, &c.	
3.	July 27, 1870	Earl of Kimberley to Sir John Young	H.M. Gov^{t}. will propose to the U.S. Gov^{t}. a Joint Commission. The subject of a Fortification Loan is already before Parliament. The Dominion ought to send to H.M. Gov^{t}. a statement of losses and claims on account of the Fenian raids. Imperial troops will remain for the winter at Quebec.	
4.	Feb. 16, 1871	Earl of Kimberley to Lord Lisgar	The Dominion has an undoubted right to exclude Americans from fishing within 3 marine miles of the Canadian coast; and any cession of this right would be most safely transacted by a money payment.	

Table of Contents—continued.

Table of Contents—continued.

PRÉCIS OF PAPER (E).

Précis of Correspondence with the Government of Canada in connection with the Appointment of the Joint High Commission and the Treaty of Washington.

No. 1. Sir John Young forwarded to Earl Granville copy of a Minute of the Privy Council of Canada recommending that the Hon. A. Campbell, Postmaster-General, should proceed to England, and endeavour to induce Her Majesty's Government to take prompt action in several

matters of importance to the Dominion; among which were—the proposed withdrawal of Imperial troops from Canada, the question of fortifications, and the recent invasion of Canadian territory and trespasses on Canadian
No. 2. fishing grounds by citizens of the Union. In relation to the Canadian fishery question, Mr. Campbell was instructed to urge that the fishing rights should be in accordance with the Treaty of 1818; and that the question as to the definition of limits of exclusion by headland lines be referred to a Joint Commission of one Imperial, one United States, and one Canadian Commis-
No. 3. sioner. Lord Kimberley informed Sir J. Young that Her Majesty's Government would propose to the United States' Government the appointment of such a Commission, and that the Bill authorising the guaranteee of the Fortification Loan was already before Parliament. Her Majesty's Government were of opinion that the Canadian Government should draw up a statement of the facts connected with the Fenian incursion, and of the claims for reparation, in such form as Her Majesty's Government might properly bring before the United States' Government. As regarded the defence of the Dominion, it had been decided that a battalion of infantry and a battery of artillery should remain at Quebec during the
No. 4. coming winter. He stated to Lord Lisgar that Her Majesty's Government regarded the right of Canada to exclude Americans from fishing within three marine miles of the coast to be beyond dispute, and one which could only be ceded for an adequate consideration, the safest and most convenient form of which would be a
No. 5. money payment. Lord Lisgar having observed that the Canadian fisheries could not be sold without the consent of the Dominion, Lord Kimberley admitted this, and referred to the fishing rights as being under the protection of a Canadian Act of Parliament, which would have to be repealed in case of the cession of these rights to any
No. 6. foreign power. He afterwards transmitted to Lord Lisgar copies of a Treaty signed at Washington by the Joint High Commission, and duly ratified. The Treaty secured to Canada amongst other privileges the right to convey goods in bond through the United States, and the free navigation of Lake Michigan; and while it secured to the United States the freedom to navigate the

St. Lawrence, it gave to Canada in return the free use of certain rivers on the Pacific side of the Continent. But it was now a question of much moment what course should be taken during the present fishing season, pending the enactment of the laws necessary to bring the fishery articles into operation. Her Majesty's Government hoped that the Colonial Parliaments would remove, as far as they had power, any obstacles to the provisional enjoyment by American citizens of the privileges contemplated for them by the Treaty. The United States' Government had made application for the immediate admission of Americans to the Colonial fisheries, and Her Majesty's Government recommended that it should be
No. 7. acceded to. It was regretted by Her Majesty's Government that the American Commissioners had declined to include in the Treaty the claims for losses inflicted on Canada by the Fenian raids; but they acquiesced in the
Nos. 8, omission in order to facilitate the negotiations. The
9, 10. Privy Council of the Dominion still thought that the above claims ought to have been included in the Treaty; but they believed that the Dominion Parliament would abandon these, and consent to the measures necessary to give effect to the Treaty, if Her Majesty's Government would guarantee a Canadian loan of half the eight millions which it was intended to raise for the construction of a railway to the Pacific, and the extension of the St.
No. 11. Lawrence canals. Her Majesty's Government having considered this suggestion, agreed that as soon as the Dominion Parliament should pass the Acts to give effect to the Treaty, they would propose an Imperial guarantee for a Canadian loan of two-and-a-half millions for the purposes above stated.

EXERCISES

INDEXING AND PRÉCIS.

Having read the Correspondence contained in an Exercise—

1. *Make a short Abstract, Schedule, or Docket of its several letters and other papers.*

2. *Draw up a Memorandum, or Précis, i.e. a brief and clear statement of what passed, in the form of a Narrative.*

EXERCISE I.

Correspondence on the Affairs of South Africa.

No. 1.

His Honour President Brand to the Earl of Carnarvon.

ROYAL CAMBRIDGE HOTEL, *August* 17, 1876.

My Lord,—I learn with much pleasure from your Lordship's letter of the 12th instant, in reply to mine of the 18th ultimo, that your Lordship is quite ready to make such recommendations, with reference to the Custom dues, in the spirit of the Convention of the 23rd February, 1854, as are applicable to present circumstances.

And I venture to hope, that, with this recommendation, the equity of the claim of the Orange Free State, on account of its peculiar position and distance from the seaports, which continue the same as in 1854, will be readily recognised by the Governments of the Cape Colony and Natal.

The resolution of the Volksraad, to which I had the honour to refer in my letter of the 18th ultimo, instructs me to base the claim of the Orange Free State to a share of the Customs dues, on the grounds stated in the Convention of the 23rd February, 1854.

But I have no power or authority to discuss that subject in connection with Confederation.

For the resolutions of the Volksraad of the 11th February last, mentioned in my letter of the 19th ultimo, entirely preclude me from entering upon a discussion of the question of Confederation.

These resolutions were unanimously adopted by the representatives of the people in Council assembled, and I would be guilty of a violation of my oath and duty if I acted contrary to these resolutions, or consented in any way to discuss the sacrifice of that independence which was guaranteed to the Orange Free

State by the convention 23rd February, 1854, and which my oath of office binds me to maintain.

Under these circumstances I think your Lordship will see that my duty will not permit me to concur in the suggestion contained in the Section 10 of your Lordship's letter under acknowledgment.

I have, &c.,
(Signed) J. H BRAND.

No. 2.

C. Cowen, Esq., to Colonial Office.

PORT ELIZABETH, *July* 10, 1876.

Sir,—By this mail I forward to His Excellency the Governor a petition from the inhabitants of Port Elizabeth, to be sent to the Right Honourable the Earl of Carnarvon, Secretary of State for the Colonies, in accordance with the resolutions which I posted to your address for his Lordship by the last mail steamer.

Allow me to invite the attention of the Secretary of State to the character of the signatures to the petition as evidence of a class of colonists who desire to see the confederation of South African States and Government an accomplished fact; and that Mr. John Paterson may be permitted to assist to realise the ardent wishes of the majority in this land.

I have, &c.,
(Signed) CHAS. COWEN, *Hon. Sec.*

No. 3.

Governor Sir H. Barkly, G.C.M.G., K.C.B., to the Earl of Carnarvon.—(Received August 26).

GOVERNMENT HOUSE, CAPE TOWN, *July* 25, 1876.

My Lord,—The accompanying letter, addressed to your Lordship by Mr. R. W. Nelson of Graham's Town, has just been sent to me from the Colonial Secretary's Office for transmission.

2. It sets forth, as your Lordship will perceive, resolutions passed at a public meeting in that city on the 1st instant. The first, requesting Messrs. John Paterson, Philip Watermeyer, and George Blaine, Members of the Legislative Assembly of this Colony, to proceed to London and wait upon your Lordship as Delegates from the Eastern Province to represent the views of the Province as to Confederation. The second, declaring that no such confederation would be acceptable unless either the Colony were divided into two or more self-governing States, or the seat of Government placed in a more central position. And the third, calling attention to the serious position in which (it is alleged) the Colony stands at the present moment in reference to the possibilities, if not probabilities, of a native outbreak.

3. I do not feel it necessary to offer any remarks on the first two resolutions, but, with regard to the third, I think it right to say that all my experience, and I believe all that likewise of my immediate predecessors in office, tends to show that the affairs of the eastern frontier are more calmly and deliberately managed from a distance than they would be on the spot, and that, with steamers running from Cape Town to East London once or twice a week, and alternative lines of telegraph for far the greater portion of the distance, there is no likelihood of any lack of promptitude in dealing with such questions as may from time to time arise.

I have, &c.,
(Signed) HENRY BARKLY.

Inclosure in No. 3.

GRAHAM'S TOWN, CAPE OF GOOD HOPE, *July* 15, 1876.

My Lord,—I have the honour to submit for your Lordship's information the resolutions passed at a public meeting of the citizens of Graham's Town held on 1st July, 1876, convened for the purpose of assuring the English Ministry through your Lordship of the continued support which Graham's Town still accords, and with a stronger feeling than ever, to the proposal to federate the States and Settlements of South Africa as a United Dominion under the Imperial Crown, with the right of self-government secured to each province.

First resolution:—

'This meeting believing that the Right Honourable the Secretary of State for the Colonies is still anxious to receive at a

conference on South African Federation the advice of gentlemen who are Members of Parliament for the Eastern Province, and calculated from their position to represent its wants and views in reference to the scheme shadowed forth in Lord Carnarvon's several Despatches on the subject, hereby expresses its indignation at the resolution passed by a narrow majority in Parliament consenting to the proposition of the Ministry that Mr. Molteno should go home alone. This meeting expresses its belief that Mr. Molteno does not really represent the feeling of the Eastern Province in reference to Federation, and hereby requests Mr. John Paterson, M.L.A., Mr. P. Watermeyer, M.L.A., and Mr. George Blaine, M.L.A., to proceed to London and wait upon the Right Honourable the Secretary of State for the Colonies as Delegates from the Eastern Province to represent the views of the Province on this important question.'

Second resolution :—

'This meeting, while willing to lend as earnest a support as ever to the proposals of the Right Honourable the Secretary of State for the Colonies for the Federation of the States of South Africa under the British flag, desires to renew the expression of its conviction that no such Federation would be acceptable or would work well for the interests of South Africa, unless either the present Cape Colony be divided into two or more self governing States for purposes of administration and legislation on questions of local interest, or the seat of Government be placed in a more central position, and one more easily accessible to the exposed portions of the Eastern Province than it is at present at Cape Town, on the extreme south-west corner of the continent, so far removed from the chief business and the chief dangers of Her Majesty's subjects in the Eastern Province of Cape Colony.'

Third resolution :—

'This meeting would call the attention of such Delegates sent on behalf of the Eastern Province, and also of Her Majesty's Government, to the grave and serious position in which it is generally believed the Eastern Province of the Cape Colony stands at the present moment in reference to the possibilities, and even (as many think) the probabilities of a native outbreak, it being well known that the natives, both within and beyond the Eastern Province, are well supplied with arms, and that they have been diligently adding to their supply of both arms and ammunition within the last two years; and this meeting desires to express its convictions that on this as well as on other grounds the circumstances of the Eastern Province imperatively

demand that the seat of Government should be nearer than it is to the seat of danger and exposure.'

Upon resolution of the meeting it was decided to send copies of the above Resolutions to your Lordship.

I have, &c.,
(For S. Crm. Wright, Chairman of public meeting),
(Signed) R. W. NELSON,
Secretary of Public Meeting Committee.

The Right Hon. the Earl of Carnarvon,
Her Majesty's Secretary of State for the Colonies,
London.

No. 4.

The Earl of Carnarvon to Governor Sir H. Barkly. G.C.M.G., K.C.B.

DOWNING STREET, *August* 26, 1876.

Sir,—I request that you will cause Mr. Charles Cowen to be informed that his letter dated 10th July, from Port Elizabeth, on the subject of the petition from the inhabitants of Port Elizabeth respecting Confederation, has been duly received.

I have, &c.,
(Signed) CARNARVON.

No. 5.

The Earl of Carnarvon to Governor Sir H. Barkly, G.C.M.G., K.C.B.

DOWNING STREET, *August* 31, 1876.

Sir,—I transmit to you a copy of a correspondence which has passed between the President of the Orange Free State and myself with respect to the Customs duties levied in the Cape and in Natal on goods consumed in that State, and in reply to President Brand's last letter of the 17th August, I request that you will acquaint his Honour that I have received this letter, and that I am disposed to think that he is under a misapprehension with regard to the meaning of my reply to his first letter, which it is only right that I should clear up.

2. I endeavoured to make it clear that, while I am prepared to deal with him, as far as possible, in the spirit of the Convention of 1854, existing circumstances prevent me from recommending that it be now carried out unconditionally, and that I am, therefore at present unable to make a recommendation in favour of a participation in the Customs duties by any State not prepared to give its adhesion to some satisfactory scheme of Confederation.

3. I also regret that I failed to convey to his Honour with sufficient distinctness my understanding of the Resolution of the Volksraad of the Orange Free State. However this may be, a further perusal of my letter will hardly fail to satisfy his Honour that my invitation at least was that he should consider such a scheme of Confederation only as might adequately preserve the independence of the State of which he is the head.

4. Having, however, thus briefly noticed what appear to me to be the obvious misapprehensions contained in his Honour's letter, I do not desire to trouble him with any further observations on the subjects to which it refers.

5. I have, I think, sufficiently explained (as I had pledged myself to do) certain points connected with Confederation which appeared to require elucidation, and I prefer now to add nothing which could be construed as pressing Confederation upon the Orange Free State in opposition to the wish of its Legislature.

I have, &c.,

(Signed) CARNARVON.

No. 6.

The Earl of Carnarvon to Governor Sir H. Barkly, G.C.M.G., K.C.B.

DOWNING STREET, *August* 31, 1876.

Sir,—I have to acknowledge the receipt of your Despatch of 6th July, forwarding copies of Resolutions passed at a meeting held at Somerset East, and at Port Elizabeth, relating to the decision of the Parliament of the Cape on the subject of Mr. Molteno's visit to England.

I have also received separately the Resolutions passed at Port Elizabeth. With regard to the request made in the address which accompanies the Resolutions, that I would receive Messrs.

Paterson and Blaine as the representatives of the inhabitants of the Eastern Province, I have to state that, though I do not feel myself at liberty to recognise in these gentlemen the representative character which Mr. Molteno fills by virtue of his official position and special delegation by the Cape Parliament, and am, therefore, unable to summon any colonist to this Conference without some express authority from the Legislature of the Colony, I shall not neglect to avail myself on an early occasion of hearing the views of men of such experience and ability touching the affairs of their Colony.

I may, indeed, add that I have already had the opportunity of receiving Mr. Paterson's representations on many points of importance.

I have, &c.,
(Signed) CARNARVON.

No. 7.

The Earl of Carnarvon to Governor Sir H. Barkly, G.C.M.G., K.C.B.

DOWNING STREET, *September* 4, 1876.

Sir,—I have received your Despatch of 25th July, forwarding a letter addressed to me by Mr. R. W. Nelson, submitting certain Resolutions passed at a public meeting held at Graham's Town on the 1st July last.

2. With reference to the first Resolution, nominating Delegates to represent the Eastern Province at a Conference on South African affairs, I have to refer you to my Despatch of 31st August, in which I have fully explained to you my views on this subject.

3. I do not fail to note in the second Resolution the expression of opinion on a question of very serious importance.

4. The third Resolution calls attention to the serious position in which, it is alleged, the Colony stands at the present moment in reference to the possibility of a native outbreak, and here I will only observe that I cannot but accept as satisfactory the assurances which you have on more than one occasion conveyed to me that the causes of recent anxiety have passed.

I have, &c.,
(Signed) CARNARVON.

No. 8.

Colonial Office to the Hon. J. C. Molteno.

DOWNING STREET, *September* 6, 1876

SIR,—I am directed by the Earl of Carnarvon to acquaint you that his Lordship, having given full consideration to your views and representations as expressed in recent conversations, is of opinion that it may now be convenient to invite you to state, in as definite a manner as you may feel able, the mode in which you would propose that the Cape Legislature should redeem its promise of assisting Her Majesty's Government with respect to the Province of Griqua-Land West.

2. Lord Carnarvon believes that he will not inaccurately represent the opinions which he has understood you to express verbally, in recording his impression, that you incline to the incorporation of Griqua-Land West with the Cape Colony as the preferable course among those which have suggested themselves, considering that the surrender of the Customs duties to an independent province is surrounded with difficulties of detail, which, although prepared to enter into the question of a more or less extended South African Union at no distant date, you do not at this moment feel able to take any action with reference to the association even of the single Province of Griqua-Land West in a Confederation with the Cape.

3. As you are aware, representations have been made to his Lordship against placing Griqua-Land West under the Government of the Cape, as at present constituted; but looking to the depression of trade, which, it is anticipated, may be accompanied by the departure of a large part of the population, and also to the practicability (as to which Lord Carnarvon entertains no doubt) of making such arrangements as would fully protect and provide for the legitimate interests of the residents, his Lordship will, if you can assure him that you are in a position to consent to, or to undertake to press upon the Parliament, this incorporation, be ready to bring the proposal before the Government of Griqua-Land West, in order that there may be no further delay in the settlement of the question.

4. There are two other suggestions, proceeding from the Cape Government, for the annexation of territory to the Colony, which Lord Carnarvon has for some time had under his consideration, and which you have, in conversation, urged upon

him ; but his Lordship is of opinion that he cannot properly or safely advise the Queen to sanction these annexations unless the case of Griqua-Land West, which is now pressing, and has for a longer time demanded settlement, is at the same time provided for.

5. If the Cape Government should be prepared to undertake, at the same time, the Government of the three districts, those of Griqua-Land West, Walfisch Bay, and Tembu-Land, Lord Carnarvon is disposed to think that arrangements might be made for annexing them to the Colony, subject, of course, to the reservation of the necessary power of revising the boundaries, or even of again separating the newly-added territories from the Cape, in the event of any fresh provincial subdivisions, or any form of Confederation becoming desirable.

6. Lord Carnarvon trusts that you may be able to give him an early and definite reply on this subject, as his Lordship is most anxious to come to some satisfactory arrangement with you, and would, for many reasons, greatly regret your departure from this country without making provision for a condition of affairs which demands immediate attention.

I am, &c.,
(Signed) ROBERT G. W. HERBERT.

No. 9.

The Hon. J. C. Molteno to Colonial Office.

LOWESTOFT, *September* 7, 1876.

Sir,—I beg to acknowledge receipt of your letter of yesterday's date, on the subject of Griqua-Land West, and have to request you will be good enough to inform the Earl of Carnarvon that this important matter will receive my early and careful attention, and be the subject of a further communication to his Lordship.

I am, &c.,
(Signed) J. MOLTENO.

No. 10.

The Hon. J. C. Molteno to the Earl of Carnarvon.

ALBEMARLE HOTEL, ALBEMARLE STREET, LONDON, W.,
September 15, 1876.

My Lord,—On the 7th instant I had the honour of acknowledging the receipt of your Lordship's letter of the 6th instant, on the subject of the assistance to be rendered by the Cape Legislature to Her Majesty's Government with respect to the Province of Griqua-Land West, and I now beg to address your Lordship in reply to that communication.

Your Lordship intimates it to be your impression, from the opinions which I have expressed in recent conversations, that I incline to the incorporation of Griqua-Land West with the Cape Colony as the preferable course among those which have suggested themselves to your Lordship; and you proceed to state that, if I can assure you that I am in a position to consent to, or to undertake to press upon the Colonial Parliament, this incorporation, your Lordship will be prepared to bring the proposal before the Government of Griqua-Land West.

I have given very careful consideration to your Lordship's letter, and desire to return my thanks for the clear and full expression which it affords of your Lordship's wishes in regard to the important question with which it deals.

In respectfully inviting your Lordship's reference to my reply, of the 10th ultimo, to your Lordship's letter dated the 5th, I have the honour to advert to the representations I then ventured to submit regarding my desire—looking to the stage at which (your Lordship informed me) the settlement of the Griqua Land West question had arrived; to the admitted expediency of reference by Her Majesty's Government to the Legislatures of the Cape and of Griqua-Land West; and to my inability to consult my colleagues at this distance from the Colony—to be excused, if possible, from entering into formal negotiations on the subject by correspondence; and I would add that I do not gather from your Lordship's present communication that any fresh circumstances have arisen which render it essential to come to an immediate arrangement—on my sole responsibility as far as the Cape Colony is concerned—touching the large and important questions involved. At the same time

I fully share your Lordship's anxiety that arrangements satisfactory to all concerned should be arrived at; and, if it be your Lordship's desire, I shall be glad, at any time most convenient to you, to wait upon your Lordship for the purpose of such further discussion of the matter as your Lordship may think fit, entertaining, as I do, no doubt that, in resuming the personal communication with which your Lordship has favoured me, the desired arrangements will be materially facilitated.

I think it incumbent on me to take this opportunity of informing your Lordship that I cannot regard myself as in a position to consent to the incorporation of the Province of Griqua-Land West with the Cape Colony, or even to pledge myself and my colleagues to any definite course of action, in the absence of full information on the many contingent matters of importance which present themselves for consideration in connection with the proposed incorporation.

I would briefly advert, in conclusion, to that portion of your Lordship's letter which refers to the proposed annexation to the Cape Colony of the Walfisch Bay country and of Tembu-Land. After most careful perusal, I have failed in discerning the precise bearing which these proposed annexations have, in your Lordship's view, upon the question of Griqua-Land West; but I would most respectfully record my decided opinion that it is very desirable to avoid any unnecessary delay in dealing with the two proposals in question, as I cannot escape from the conclusion that any lengthened postponement of the extension of British jurisdiction to the districts referred to would be calculated to leave matters open to serious complications hereafter.

I have, &c.,

(Signed) J. C. Molteno.

No. 11.

Colonial Office to the Hon. J. C. Molteno.

Downing Street, *September* 20, 1876.

Sir,—I am directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 15th instant, in reply to the one from this Department of the 6th instant, on the subject of the assistance to be rendered by the Cape Legislature to Her

Majesty's Government with respect to the Province of Griqua-Land West.

Lord Carnarvon desires me to acquaint you that he will be happy to see you again for further discussion of the matter, and with that view will name Thursday next, the 21st, at 2 o'clock, at this Office, although his Lordship fears that he must conclude that you are not prepared to make any such definite statement as would be of service to Her Majesty's Government, either of your own views or of the policy which you would be prepared to urge upon the Cape Legislature. Beyond, therefore, the satisfaction which Lord Carnarvon naturally feels at having had the opportunity of making your acquaintance, his Lordship fears that your visit to England may be found to have produced small results, and that he must consider as subject to a fresh postponement those offers of assistance which he had hoped to receive, under the Resolutions of the Cape Assembly, from you in person.

Lord Carnarvon feels constrained to add that, if the delay which you deprecate in arriving at a settlement of the question of the Walfisch Bay and Tembu-Land is open to so much risk, the delay which you think yourself obliged to interpose in the settlement of the Griqua-Land difficulties appears to his Lordship to be not less fraught with objection and danger.

I am, &c.,

(Signed) ROBERT G. W. HERBERT.

No. 12.

The Hon. J. C. Molteno to the Earl of Carnarvon.

CRYSTAL PALACE HOTEL, UPPER NORWOOD,
September 22, 1876.

My Lord,—I have the honour to acknowledge the receipt of your Lordship's letter dated the 20th instant, in continuation of the previous correspondence regarding the assistance to be rendered by the Cape Legislature to Her Majesty's Government with respect to the Province of Griqua-Land West; and I beg to inform your Lordship that, since the conversation on the subject held with your Lordship yesterday, I have given to this important matter the most careful reconsideration in my power.

In reference to the correspondence which has passed (and

more particularly to your Lordship's letter of the 6th instant, and to my reply of the 15th), your Lordship will permit me to point out that, when I expressed my wish not to be pressed to any immediate decision on my own sole responsibility, upon a question of such moment, and involving so many contingent matters of importance, and my care to avoid exceeding the powers conferred upon me by the Cape Legislature, I did not attach to that portion of your letter which states the readiness of your Lordship, under certain stated circumstances, to bring the proposed incorporation with the Colony of Griqua-Land West before the Government of that Province, the meaning which, I now understand, it was intended to convey, viz., that your Lordship entirely concurred with me in the view that such incorporation would be the preferable course to adopt. But in conversation yesterday your Lordship was good enough to indicate that the import of the paragraph to which I refer was to the effect that, if I could assure you that I was in a position to consent to, or to undertake to press upon the Colonial Parliament, the incorporation of the Province with the Cape, your Lordship was prepared to take measures which, as far as Griqua-Land West itself was concerned, would virtually adopt the principle of incorporation, and prevent further delay in the settlement of the question.

This intimation on your Lordship's part and the other information on various points connected with the subject, which your Lordship was pleased to afford me in the course of conver sation, have assisted me in no small degree in that reconsideration of the whole matter which I expressed my readiness to give.

I do not question the accuracy of your Lordship's impression, from the conversations which have taken place, that, of the courses which have suggested themselves, I incline to the incorporation of the Province as the preferable one; nor am I unprepared, after maturely weighing what your Lordship has stated to me, to adopt the wider view than my own which your Lordship takes of the scope and extent of the powers vested in me by the Resolutions of the Colonial Legislature in respect to Griqua-Land West.

I beg, therefore, to state that, although, as I have already had the honour of representing, I should have preferred such brief postponement of the affair as would have enabled me to consult my colleagues in the Colonial Government, I am so impressed with the conviction that under all the circumstances,

the incorporation of Griqua-Land West with the Colony will be the best and most satisfactory solution of the matter, that, in view of your Lordship's representations of the urgency of the case, and of my own earnest desire, as the representative of the Colony, to meet, to the utmost of my ability, the wishes of Her Majesty's Government, I am willing to undertake the responsibility of supporting that course as the one which most commends itself to my judgment, and of pressing its adoption upon the Colonial Legislature accordingly.

I avail myself of this opportunity to inform your Lordship that I find it desirable, on public grounds, to return to the Cape at the earliest practicable date, and that I have made arrangements for leaving England, by the steamer 'Walmer Castle,' on the 6th of October. I would, therefore, request that any communication with which your Lordship may favour me may be forwarded with all convenient despatch.

I have, &c.,
(Signed) J. C. MOLTENO.

No. 13.

Colonial Office to the Hon. J. C. Molteno.

DOWNING STREET, *September* 30, 1876.

Sir,—The Earl of Carnarvon desires me to acknowledge and to thank you for your letter of the 22nd instant, stating that, after giving the matter careful consideration, you are willing to undertake the responsibility of supporting the incorporation of Griqua-Land West with the Cape Colony, as the course which most commends itself to your judgment, and of pressing its adoption upon the Colonial Legislature accordingly. This declaration of your views and intentions appears to Lord Carnarvon to meet the present requirements of the case.

His Lordship will now at once consider what will be the proper time and manner of proceeding in the matter of the incorporation of the province; in connection with which it will, of course, be his first duty to request the Cape Government and Legislature to have regard to the reasonable views and wishes of the people of Griqua-Land West, in respect of such details as they may deem important to their interests.

It would afford Lord Carnarvon much assistance in the

consideration of the very important questions which are now coming forward with regard to the future of South Africa, if you should feel yourself able to favour his Lordship with any views which you may have formed as to the general principles upon which the Colonies of Natal and Griqua-Land West, or the Transvaal Republic, if the cession of it to the Crown, as from recent information seems not improbable, should take place, can be best brought into connection with the Cape Colony.

I am, &c.

(Signed) ROBERT G. W. HERBERT.

No. 14.

The Hon. J. C. Molteno to the Earl of Carnarvon.

ALBEMARLE HOTEL, ALBEMARLE STREET, LONDON, W.,
October 2, 1876.

My Lord,—I have the honour to acknowledge the receipt of your Lordship's letter of the 30th ultimo, in reply to mine dated the 22nd, on the subject of the proposed incorporation of the Province of Griqua-Land West with the Cape Colony, and I am gratified to learn that the views and intentions in this matter which I have had the honour of stating appear to your Lordship to meet the present requirements of the case.

I note the expression of your Lordship's intention at once to consider what will be the proper time and manner of proceeding in the matter of the incorporation of the Province; and in connection therewith to request the Cape Government and Legislature to have regard to the reasonable views and wishes of the people of Griqua-Land West, in respect of such details as they may deem important to their interests; and I am assured that there will be every disposition on the part of the Colonial authorities to give most careful consideration to all reasonable representations which may be put forward by the inhabitants of the Province.

Your Lordship is further pleased to invite the expression on my part of any views which I may have formed as to the general principles upon which the Colonies of Natal and Griqua-Land West—or the Transvaal Republic, if the cession of it to the Crown should take place—can be best brought into connection with the Cape Colony. Being now on the eve of departure

from England, and no having given to this question, which affects so intimately the future welfare of South Africa, the mature consideration which I should wish to bestow upon it, I trust that your Lordship will allow me to defer for the present any detailed statement on the subject, and will accept my assurance that, after my arrival at the Cape, the matter shall receive from the Colonial Government the attention which its importance demands.

I would at the same time beg to observe that, as your Lordship will have gathered from me in the course of conversation, I incline to the opinion (taking a general view of the question) that the mode in which the unification of South Africa could eventually be most satisfactorily effected and maintained would be by the gradual annexation of the several minor Colonies and States to the Cape Colony—due provision being made for relegating to local administration matters which may properly be regarded as local in character and application, and not demanding action on the part of the general Government.

I have, &c.,
(Signed) J. C. MOLTENO.

No. 15.

Colonial Office to War Office.

DOWNING STREET, *October* 3, 1876.

Sir,—I am directed by the Earl of Carnarvon to request that you will convey to Mr. Secretary Hardy his Lordship's thanks for permitting Captain Warren, R.E., to conduct the survey of the boundary-line in South Africa.

Lord Carnarvon is anxious that Captain Warren should proceed to South Africa as soon as he can complete his preparations, and I am therefore to request that he may be directed to place himself in communication with this Office without delay.

I am, &c.,
(Signed) W. R. MALCOLM.

No. 16.

The Earl of Carnarvon to Governor Sir H. Barkly, G.C.M.G., K.C.B.

DOWNING STREET, *October* 4, 1876.

Sir,—I have the honour to transmit to you a copy of the correspondence which has passed between myself and Mr. Molteno, who returns to the Cape by the steamer which bears this Despatch, on the subject of Griqua-Land West.

2. I have had much pleasure in making acquaintance with Mr. Molteno, and I cannot doubt that the interchange of opinions and explanations at our repeated interviews will prove of material advantage in promoting a clearer understanding hereafter on many important questions.

3. Mr. Molteno has, as you will fully learn from him, expressed himself in favour of the incorporation of Griqua-Land West with the Cape Colony as the preferable alternative, among several which I had placed before him as open to consideration. I am gratified to find that the successful conclusion of my negotiations with President Brand has, by removing all question as to the ownership of the territory, removed also any difficulty which Mr. Molteno might have continued to feel with regard to entering into this undertaking on the part of his Government.

4. You will observe that in my last letter to him I stated that it would be my first duty to request the Cape Government to have regard, in settling the terms of annexation, to the reasonable views and wishes of Griqua-Land West; and I have received with pleasure Mr. Molteno's assurance that they will be most carefully considered. The circumstances of the Province have materially changed during the last few months, and the failure of mining and other enterprises, with the consequent departure of a large part of the population, has tended strongly to confirm the opinion which I, with many others, have always entertained, that the machinery of a separate Government is more costly than a country relying in great part upon a precarious industry could wisely attempt to maintain permanently. Matters have, in fact, been brought back to the condition in which they originally stood when both my predecessor in this Office and the Cape Legislature contemplated that,

after a temporary administration under the Crown, the Province should become an integral part of the Cape Colony.

5. It is, of course, obvious that under these altered conditions Her Majesty's Government would not be justified in recommending compliance with the petition, which reached me some time back, against the annexation of the Province to the Cape Colony as at present administered; while, on the other hand, there is every reason to believe that, when more simply and inexpensively governed as a district of the Cape Colony, Griqua-Land West will provide a revenue ample for the requirements of its administration and its liabilities.

6. I shall address you again shortly on some details of the future arrangements, administrative and financial, of the Province of Griqua-Land West, as well as with regard to those other districts which it is proposed to annex to the Cape Colony.

I have, &c.,
(Signed) CARNARVON.

No. 17.

The Earl of Carnarvon to Governor Sir H. Barkly, G.C.M.G., K.C.B.

DOWNING STREET, *October* 5, 1876.

Sir,—I have to acknowledge the receipt of your Despatch of July 4, with one from the Administrator of Griqua-Land West, forwarding a petition to Her Majesty adopted at a meeting held at Kimberley to consider the question of the annexation of the Province either to the Cape Colony or to the neighbouring Republics. I request that you will instruct the Administrator to inform the petitioners that their petition has been laid before Her Majesty, who was pleased to receive it very graciously.

2. My reply to this Despatch has been delayed through the continuance of my communications with Mr. Molteno, from which, as also from my Despatch of the 4th instant, you will have learned that he has concurred in the opinion that the annexation of the Province to the Cape Colony is, under present circumstances, the preferable course. You will acquaint the petitioners that Her Majesty's Government have given the

fullest consideration to their request that Griqua-Land West should still be maintained as a separate Province, but that, with every desire to meet their wishes, they are obliged to come to the conclusion that this course is no longer practicable nor even in the interests of the Province itself. Financial considerations would alone constitute an almost insurmountable bar.

3. The views, however, of the petitioners as to Confederation, and the possible alteration of their boundaries in such a contingency, will receive, at the hands of Her Majesty's Government, every consideration, and I am glad to perceive the calm and reasonable view which is taken of this subject.

4. I must add that there never has been any thought of annexing Griqua-Land to the Orange Free State; on the contrary, the petitioners will perceive that their desire for the preservation as British territory of the land now comprised within the Province—a feeling which Her Majesty's Government fully appreciate—has been anticipated by me in my negotiations with President Brand; and I trust that they will in this recognise my sincere and anxious regard for their wishes and interests. It is necessary that the Loan Ordinance required for the payment of the sum agreed upon in compromise of all differences, should be enacted without delay.

5. I regret that it has not been possible to arrange for the presence of any gentleman from Griqua-Land West at the Conference held in London on questions of South African policy; but no resolution binding the province can be adopted, and I trust that my proposal that Mr. Froude should be considered as acting in the name of Griqua-Land West will give general satisfaction; he is not only familiar with the circumstances and wants of the country, but he has been greatly instrumental in bringing before Her Majesty's Government its condition and requirements, and has lent very valuable assistance in the discussions of the Conference. Nor can I omit to say that the presence of Colonel Crossman in England, whose great knowledge of the internal affairs of the Province made him an authority second to none on that head, and to whom I have not hesitated to refer whenever I have needed information or advice, will provide a guarantee that no requisite information will be wanting.

6. I have to request that you will, with the least possible delay, communicate a copy of this Despatch to Major Lanyon.

I have, &c.,

(Signed) CARNARVON.

No. 18.

Captain Warren, R.E., to Colonial Office.

WALTHAM ABBEY, *October* 6, 1876.

Sir,—I have the honour to transmit herewith a preliminary report on the subject of the tracing of boundary line between Griqua-Land West and Orange Free State.

I have, &c.,

(Signed) CHARLES WARREN, *Captain, R.E.*

Inclosure in No. 18.

Griqua-Land West and Orange Free State.
Tracing of Boundary Line.

The work to be performed appears to be as follows :—

1. To fix accurately on a plan, either by astronomical observations or trigonometrically (with reference to the Observatory of Cape Town), the positions of Kimberley, Ramah, David's Graaf, Tarrantal Kop, Platberg, Point G on River Vaal, and about six other points on the boundary line.

2. To survey and delineate on plan, accurately, the eastern limit of the Diamond Fields, which have to be included in British territory, and also the western limits of the four farms occupied by Commandant Dolf Erasmus and the farm belonging to Gideon Gonbert, which have to be excluded from British territory.

3. To trace out, chain and beacon, the boundary line over an extent of upwards of 120 miles, showing the general features within a mile on British side of the line.

This line is not necessarily a series of straight lines, as sketched on map; it may possibly be found to run in a most irregular course, in order to include the Diamond Fields and to exclude the farms above-mentioned.

For the work in hand there are no materials at present available. The map can only be used for the purpose of indicating the direction of the line; it is on too small a scale and of too rough and uncertain a description to be of any use either in assisting or in forming a basis for the correct delineation of the boundary line.

The question then arises, what is the best method of performing the work in hand?

As a standard of comparison I may mention that the 120 miles of boundary, if traced and laid down with the same accuracy and on the same scale as was required on the North American Boundary Survey, would cost 29,000*l.*, and would occupy four officers and forty-five non-commissioned officers and sappers nine months. On that occasion a belt of six miles breadth on the British side was surveyed trigonometrically.

On the present occasion so great an expense cannot be incurred; but yet it would not be desirable to limit the accuracy and durability of the work too far by the curtailments of the expenditure. Assuming, however, that the very cheapest form of trace be adopted, compatible with accuracy, I note the work which yet appears to be absolutely necessary.

(*a*) Examination of the plans of the five farms registered at Bloemfontein, and the determination of their western limits on the ground.

(*b*) Examination and verification of the eastern limits of the Diamond Fields on the ground.

(*c*) Examination and verification of the point of departure at Ramah, the points at David's Graaf, Platberg, &c.

(*d*) A series of observations at Kimberley, to ascertain its longitude from Cape Town by the electric telegraph; and latitude astronomically.

(*e*) Observations for latitude and time, and longitude by chronometers, from ten or twelve stations on the boundary line.

(*f*) The laying out the boundary line.

(*g*) The chaining of the line, and survey of one mile on British side.

(*h*) Erection of beacons.

(*i*) Computation of several hundred astronomical observations, and plotting work on plan.

(*j*) Special survey of Kimberley.

(*k*) Barometric observations for heights.

(*l*) Special survey of any places to be connected with the boundary line.

(*m*) Connection of any conspicuous points within thirty miles on British side of boundary line.

(*n*) Completion of survey on scale of four inches to the mile, and of general plan half-inch to the mile.

I have to propose that, as is usual on such a service, the boundary line be chained throughout its length, and that beacons be erected at intervals of one mile in populated districts,

and in any diamondiferous soil; and at three miles in wild portions of the country.

The cairns should be of so large and compact a nature that they may not be gradually overturned and obliterated by wild animals.

The estimate which I have formed, and which is necessarily most approximate, is as follows:—

	Per Annum. £	£
Salary, Captain Warren	600	
„ four non-commissioned officers, R.E.	370	
Outfit, Captain Warren (to include horse)	70	
„ four non-commissioned officers	60	
Passages	110	
	——	1,210 from England.
Two chain-men from Colony . .	350	
Rations and lodging	600	
Two horses for party	90	
Native workmen, carts, erecting cairns, travelling expenses . .	2,750	
	——	3,790 from Colony.
Total .		5,000

Although I do not think it would be a very desirable alter native, I submit another scheme, by which the chaining of the line may be omitted and the distances obtained in another and less rigidly accurate manner.

	Per Annum. £	£
Captain Warren	600	
Two non-commissioned officers, R.E.	230	
Outfit, Captain Warren (to include horse)	70	
„ non-commissioned officers .	30	
Passages	70	
	——	1,000 from England.
Rations and lodging	380	
Two horses for party	90	
Natives, carts, erecting beacons	2,530	
		3,000 from Colony.
Total		4,000

I beg to point out that the great expense will be in the Colonial and native labour.

The wages appear to be—

	s.	d.	
Artificer	20	0	per diem
Ground labour	7	0	"
Coolie	2	6	"

As none of these men would in any way be trained to the work and would probably be adventurers, it appears clear that it would be far more economical to take three or four non-commissioned officers of the Engineers, who would do double the work, in comparison with any assistants obtainable in the Colony, at half the pay.

The difficulty of employing civilians (who are not specially trained) on surveying in a wild country is well recognised. The American surveying party on the eastern side of the Jordan entirely collapsed on this account.

With regard to the cost of erecting beacons, &c., I have made a rough approximation, but I do not think it is in excess.

I have not included the cost of instruments in the estimate because I am under the impression that the greater number of them may be lent by the Foreign Office, or the Admiralty. About 70*l.*, however, at least, would be required for new instruments, &c.

The work could probably be executed in less than twelve months.

(Signed) CHARLES WARREN, *Captain, R.E*

LONDON, *October* 6, 1876.

No. 19.

The Earl of Carnarvon to Governor Sir H. Barkly, G.C.M.G., K.C.B.

DOWNING STREET, *October* 9, 1876.

Sir,—I have to request you to inform Mr. Molteno that I have received his letter of 2nd instant (a copy of which formed the last inclosure to my Despatch of the 4th instant) on the subject of the projected incorporation of Griqua-Land West with the Cape Colony; and you will be good enough to add that I shall not fail to give my best consideration to the expression of opinion with which it concludes.

I have, &c.,

(Signed) CARNARVON.

No. 20.

Colonial Office to Captain Warren, R.E.

DOWNING STREET, *October* 13, 1876.

Sir,—I am directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 6th instant on the subject of the tracing of the boundary line between the Province of Griqua-Land West and the Orange Free State, in which you point out the nature of the work which, in your opinion, should be undertaken, and indicate two different methods by which it may be accomplished. You have also furnished approximate estimates of the cost of these two methods amounting respectively to 5,000*l.* and 4.000*l.*, and you observe that you do not consider the method represented by the lower of these two estimates a very desirable alternative.

2. Referring first to this latter portion of your report, I am to observe that Lord Carnarvon, while fully recognising that the estimates are extremely moderate, looking as well to the amount of work which it is proposed to undertake as to the guarantee for its proper execution which is given by your high reputation as a surveyor, is compelled to limit the sum to be expended on this service to the minimum consistent with an effective carrying out of the terms of the agreement with President Brand, of which you have already received a copy. But, inasmuch as the question of expenditure is governed entirely by that of the degree of accuracy required, it may be convenient, in order to decide whether some reduction may not be made in the cost of the survey, to define in general terms the objects which Lord Carnarvon considers it desirable that you should more especially bear in mind in the discharge of the duty entrusted to you and which will govern to a great extent the amount and character of the work to be performed.

3. Your first duty will be to inspect the line of proposed frontier in conjunction with Mr. de Villiers, the expert nominated by the Orange Free State, and to settle with him what are to be the recognised positions, on the ground of the points named in the Memorandum of Agreement; this part of the work will involve a verification of the eastern boundaries of the Diamond Fields and of the western boundaries of the farms named in the second clause of the Agreement, and I am to observe that Lord Carnarvon attaches quite as much importance to arriving at a settlement which on these matters of detail

shall be final and satisfactory to both sides, as to the actual precision of the survey work. Adhering therefore to the general spirit of the Agreement, you may consider yourself at liberty, without sacrificing material points, to make such concessions in minor matters as you may consider fair and expedient and as may seem necessary in order to prevent disagreement or controversy in the future.

4. Having arrived at an understanding with Mr. de Villiers on these questions, it will next be necessary to mark by beacons the points named in the Agreement, and a sufficient number of intermediate points to enable the boundaries agreed upon to be verified hereafter: a record of the position of the more important of these beacons in the form of a plan seems necessary, and also probably a survey of the portion of the boundary near the Diamond Fields and the specified farms. But, bearing in mind that all the boundaries in South Africa have been at the best only approximately defined, and that much of the country is unoccupied and wild, it would seem unnecessary to survey the entire length of the line or to do more than fix the positions of a limited number of points on those portions of the line which are at present of only secondary importance. For instance, it would hardly appear to be necessary to place any beacons at all on the line between Ramah and Davidsgraaf, provided the points themselves were relatively determined.

5. Such being, so far as Lord Carnarvon is in a position to form an opinion, the objects of the survey, it appears to his Lordship that the second and less rigidly accurate method proposed by you will fully meet all the requirements of the case, and that the estimate of 4,000*l.* will admit of considerable reduction, partly by omitting from the work the items *j*, *l*, and *m* detailed at page 3 of your report, and partly by revising the item of 2,530*l.* for native labour and beaconing: a portion of the cost (at least half) of this service would be chargeable to the Orange Free State, and by reducing the number of beacons and taking advantage of the facilities which the Administrator may be able to give you in providing labour, it would seem possible to substitute a much smaller sum. Moreover it seems to his Lordship very essential that the work should be completed within, at the outside, six months from your arrival in the Province, and the estimate will be susceptible of some further reduction on this account also. On the other hand Lord Carnarvon observes that you have estimated your own salary at the rate of 600*l.* a year, but, looking to the cost of living in the

Province, his Lordship proposes to make an addition to the estimate under this head: and again, as regards the employment of the two non-commissioned officers of Royal Engineers, which his Lordship considers to be necessary, it would seem better to give them a subsistence allowance rather than to undertake to provide them with rations (and quarters when not in the field). The estimate, subject to the revisions, will become:—

	£
Captain Warren's salary for six months	500
Ditto, half-salary during two months on passage . .	84
Two non-commissioned officers' pay for eight months .	154
Outfits for party	100
Passages	140
	978
Travelling expenses of Captain Warren, four months at 2*l.* 2*s.* a-day	200
Subsistence to two non-commissioned officers at 10*s.* a-day for six months	183
Instruments	60
Horses, carts, &c.	300
Half-cost of beaconing	500
Total	2,225
(Say 2,500*l.*)	

6. In conclusion I am to request you will state at your early convenience whether you consider that you can properly undertake the service with a reasonable hope of executing it on these terms, and if so on what date you will be prepared to sail. Your departure should, if possible, take place before the end of this month.

I have, &c.
(Signed) W. R. MALCOLM.

No. 21.

Captain Warren, R.E., to Colonial Office.

WALTHAM ABBEY, *October* 14, 1876.

SIR,—I have the honour to acknowledge the receipt of your letter of the 13th instant, conveying instructions from the Earl of Carnarvon, concerning the tracing of the boundary line between the Province of Griqua-Land West and the Orange Free State.

1. The importance of arriving at a just settlement (satisfactory to both sides) of the details of the boundary, so as to prevent disagreement or controversy in the future, will be a guiding line in the performance of my duties.

2. Taking into consideration the work to be performed on the survey as now limited, the revision of the item for beaconing, and by taking advantage of the facilities the Administrator may be enabled to afford, I have no doubt that the work can be efficiently performed at a cost within the revised estimate of 2,500*l.*, and that it can be completed within six months of the time of arrival in the Province.

3. I am prepared to sail at any time after the 22nd instant. I have to suggest that the two non-commissioned officers of the Royal Engineers should embark in the same steamer with me, so that we may be enabled, on passage out, to test the astronomical instruments, to rate the chronometers, to get ready our field-books, and to make such other preparations as will allow of our commencing work on arrival in the Province.

4. I have to submit that, as the expedition of the service will in some measure depend on accurate simultaneous observations at different points, and on the efficiency of my assistants, it would be conducive to economy that one non-commissioned officer should be an expert observer (if possible either from the Ordnance Survey or from the recent North American Boundary Survey), and that the other should be a good clerk and computer.

5. I have to suggest that six pocket chronometers may be obtained from the Admiralty (Greenwich Observatory), on the same terms as were those obtained for the North American Boundary Survey, namely, that they will be returned in as fair a state of repair as they are issued.

In conclusion, I beg to express my sense of the liberal rate at which Lord Carnarvon has fixed my own salary, on account of the cost of living in the Province.

I have, &c.

(Signed) CHARLES WARREN, *Captain, R.E.*

No. 22.

The Earl of Carnarvon to Governor Sir H. Barkly, G.C.M.G., K.C.B.

DOWNING STREET, *October* 19, 1876.

Sir,—In the 11th paragraph of my Despatch of August 5, I informed you that facsimiles of the map mentioned in the Treaty with President Brand would be made and forwarded to you, and, in accordance with this intimation, I now transmit to you six copies of the map, three of which you will be good enough to forward to the Government of Griqua-Land West.

2. I further added, in the paragraph above referred to, that I should, at the same time, furnish you with instructions for the guidance of the Griqua-Land Government, in carrying out the joint demarcation of boundary mentioned in the memorandum of agreement.

3. I transmit to you copies of correspondence with President Brand, from which you will learn that I have approved the selection by his Honour of Mr. Josias de Villiers, to act on behalf of the Orange Free State in tracing out the boundary line.

4. I have thought it desirable to appoint, on behalf of Her Majesty's Government, an officer wholly unconnected with South Africa, and possessed of practical experience and ability in the kind of work to be performed.

5. With this view I applied to the Secretary of State for War for the services of an officer of the Royal Engineers, and Mr. Hardy has recommended for the duty Captain Warren, Royal Engineers, whom I have accordingly appointed, and who will probably leave England for the Cape by the mail of the 26th instant, accompanied by two non-commissioned officers of Royal Engineers.

6. I inclose herewith copies of correspondence with Captain Warren, which will inform you of the terms of his employment, the nature of the work which I wish him to perform, and the instructions respecting it, which I have thought fit to give him.

7. I need hardly, I feel sure, impress upon you the desirability of your affording to Captain Warren every facility in your power to enable him to reach the scene of his labours with as little delay as possible; and it will be well that you should communicate at once with the Administrator of Griqua-Land West, with a view of his taking steps for collecting the work-

men and material, in the shape of carts, horses, &c., which will be required by Captain Warren.

8. Finally, I have to request that you will inform President Brand of the name of the officer whom I have nominated to act on behalf of Her Majesty's Government in tracing the boundary line, and convey to his Honour an intimation of the probable time, as nearly as you can calculate, at which Captain Warren may be expected to be ready to commence operations.

I have, &c.
(Signed) CARNARVON.

No. 23.

Governor Sir H. Barkly, G.C.M.G., K.C.B., to the Earl of Carnarvon.—(Received October 21.)

GOVERNMENT HOUSE, CAPE TOWN, *September* 22, 1876.

My Lord,—I have the honour to acknowledge your Despatches of 19th July, and of 5th August, communicating the terms on which the long-standing dispute with the Orange Free State as to the ownership and boundaries of Griqua-Land West has been brought to an amicable settlement through the negotiations personally conducted by your Lordship with President Brand.

2. No time was lost by me in transmitting copy of the former to Major Lanyon, nor in preparing him by telegraph for the receipt of the latter, with a view to the early preparation of the Draft Ordinance for raising the loan required to carry out the arrangements.

3. I also at once made known the contents of both Despatches to the Cape Ministry, although I thought it better not to publish them here prior to their publication in Griqua-Land West, which will, in effect, amount to the same thing.

4. Copies will, of course, be presented officially to the Cape Parliament whenever it reassembles for business.

I have, &c.
(Signed) HENRY BARKLY.

EXERCISE II.

Correspondence respecting the Capture of the 'Saxon' by the United States' ship 'Vanderbilt.'

No. 1.

The Secretary to the Admiralty to Mr. Hammond.
(Received December 23.)

ADMIRALTY, *December* 22, 1863.

Sir,—I am commanded by my Lords Commissioners of the Admiralty to send you herewith, for the information of Earl Russell, a copy of a letter, dated the 17th ultimo, from Rear-Admiral Sir Baldwin Walker, with its inclosures, reporting the proceedings of the United States' ship-of-war 'Vanderbilt' at the Cape of Good Hope, after her return from the Mauritius, and the seizure by that ship of the Colonial vessel 'Saxon' at Angra Pequena.

I am, &c.,
(Signed) W. G. ROMAINE.

Inclosure 1 in No. 1.

Rear-Admiral Sir B. Walker to the Secretary to the Admiralty.

'NARCISSUS,' in SIMON'S BAY, *November* 17, 1863.

Sir,—I beg you will inform the Lords Commissioners of the Admiralty that the United States' ship-of-war 'Vanderbilt,' after leaving this port on the 11th September last, proceeded to Mauritius, in search I believe of the Confederate ships 'Alabama' and 'Georgia;' not finding either of those vessels, she returned to Table Bay to coal and provision on the 22nd ultimo.

When this vessel first touched at this port, the commander requested to be supplied with coals and provisions; and, on the supposition that he had not received any at a British Possession

for three months, having it was believed come last from Rio de Janeiro, his demands were complied with. It was subsequently ascertained that the 'Vanderbilt' had touched at St. Helena and received about 400 tons of coal, all that was there.

Under these circumstances, with the fact of her having obtained coal at Mauritius, on the question being raised, I expressed to the Governor of this Colony my opinion that no further supplies should be given her here, in accordance with the provisions of Earl Russell's letter for the preservation of strict neutrality. The 'Vanderbilt' did not, therefore, receive any coal, and left Table Bay on the 27th ultimo, proceeding northward.

On the 6th instant I received a letter from some merchants at Cape Town (a copy of which is inclosed) reporting that the 'Vanderbilt' had met the Colonial vessel 'Atlas,' and subjected her to very close examination, and as it appeared to be probable that Commander Baldwin would proceed to Ichaboe for the purpose of searching some English vessels there, I despatched the 'Valorous' to that island to prevent anything of the kind, and to acquaint the American captain, if he was not aware of it, that it is a British Possession.

The 'Valorous' returned to this port on the 15th instant, reporting (see Inclosure No. 2) that the 'Vanderbilt' had visited Angra Pequena on the West Coast of Africa, and having found there the Colonial vessel 'Saxon' (lately employed in conveying cattle to Ascension) loading with wool, stated to have been part of the cargo of the 'Tuscaloosa,' disembarked there (a vessel captured by the 'Alabama' and constituted a tender, but which vessel was not condemned in any Prize Court, as stated in my letter of the 19th August last), Commander Baldwin seized her, and sent her as a prize to New York, putting the crew into a small English schooner, now on her way to Table Bay. The 'Valorous' did not fall in with the 'Vanderbilt,' nor had that vessel been at Ichaboe; it was also reported to Captain Forsyth that the mate of the 'Saxon' had been shot, but under what circumstances he could not learn.

It is stated that the 'Vanderbilt' took in 250 tons of coal, said to belong to Messrs. de Pass, Spence, & Co., of Cape Town, from an island at Angra Pequena.

I should remark that Angra Pequena lies beyond the Colonial territory, but our merchants have been there collecting guano, &c.

The 'Valorous' did not find any vessels whatever at Icha-

boe, and therefore returned to this anchorage on the 15th instant.

I have, &c.,
(Signed) B. W. WALKER.

P.S.—It is stated in the public papers that Penguin Island, at Angra Pequena, near which the 'Saxon' is said to have been seized, and whence the coal was taken by the 'Vanderbilt,' is a British Possession, and was annexed to the Cape Colony at the same time as Ichaboe, but of this circumstance I am not aware, my instructions being only to take possession of the Island of Ichaboe.

Inclosure 2 in No. 1.

Captain Forsyth to Rear-Admiral Sir B. Walker.

'VALOROUS,' at SIMON'S BAY, *November* 15, 1863.

SIR,—In compliance with orders contained in your letter of the 7th instant, I put to sea in Her Majesty's ship, under my command, at 8.30 P.M. the same evening. On the afternoon of the 10th I arrived at Angra Pequena. Finding no vessels at that anchorage, I despatched boats to the islands in the vicinity, and also to the mainland, to make inquiries respecting the movements of the United States' war-steamer 'Vanderbilt.' The result was that, from information obtained from four men engaged in collecting guano, she had anchored there on the 30th ultimo, and found the English barque 'Saxon,' belonging to Messrs. Saxon, Anderson, & Co., of Cape Town, taking in wool; she immediately seized and took forcible possession of the same. It was alleged as the reason for so doing, that she (the 'Saxon') had on board wool that had been previously disembarked by the 'Tuscaloosa,' prize to the Confederate war-steamer 'Alabama.' The crew of the captured vessel, with the exception of the mate, who was shot (but under what circumstances I could not ascertain), was put on board the British schooner 'Isabel,' in order to be forwarded to Cape Town. The 'Saxon' left the 1st instant,—it is reported for New York.

Early on the morning of the 11th I proceeded to the island of Ichaboe, and there heard that the 'Vanderbilt' sailed from Angra Pequena on the 2nd, after having taken on board coals that were deposited at Penguin Island in that harbour, the property of Saxon, Anderson, & Co. I was also informed that the 'Isabel' had gone to the northward on the coast completing her

cargo, preparatory to her return to Cape Town. From orders precluding my searching further to the northward for the 'Vanderbilt' than Ichaboe Island, I made the best of my way to rejoin your flag, and beg to report my arrival here this morning.

I have, &c.,
(Signed) CHARLES C. FORSYTH.

Inclosure 3 in No. 1.

Messrs. Saxon & Co. to Rear-Admiral Sir B. Walker.

CAPE TOWN, *November* 6, 1863.

Sir,—We have the honour to report that the schooner 'Atlas,' belonging to the second Undersigned, arrived at this port on the 4th instant; and the master reports that he was boarded a few days previous in sight of the coast by an armed boat from the United States' steamer 'Vanderbilt,' and that he was called upon by the officer in charge and made to show his log-book and papers; after which the vessel's cabin and hold were searched throughout, and the vessel detained a considerable time.

The master of the 'Atlas' further reports that the officer in charge inquired respecting the movements of the vessels on the coast, mentioning the names of two belonging to us that are at present loading guano at the British island of Ichaboe, and stating his intention of subjecting those vessels to the same ordeal and indignities.

We would respectfully submit to your Excellency that this is most unusual conduct on the part of a foreign vessel of war on a Colonial coast, and as this is calculated very seriously to interfere with British commerce, we would solicit your taking such steps as by you may be considered best.

We have, &c.,
(Signed) WM. ANDERSON, SAXON & CO.
DE PASS, SPENCE & CO
Pro R. GRANGER & CO.
G. N. EBDEN.

No. 2.

Mr. Elliot to Mr. Hammond.—(Received December 24.)

DOWNING STREET, *December* 24, 1863.

Sir,—I am directed by the Duke of Newcastle to transmit to you, for the consideration of Earl Russell, copies of two Despatches from the Governor of the Cape of Good Hope, with a copy of another from the Governor of St. Helena, respecting the movements and proceedings of the United States' sloop-of-war 'Vanderbilt.'

By two of these Despatches it will be seen that there is ground to apprehend that this sloop has seized a British vessel unlawfully. The next Despatches from the Cape may be expected to bring fuller particulars and more direct evidence; but in the meanwhile the Duke of Newcastle loses no time in putting Earl Russell in possession of so much information as has yet been received on the subject.

I am, &c.,

(Signed) T. FREDK. ELLIOT.

Inclosure 1 in No. 2.

Sir P. Wodehouse to the Duke of Newcastle.

GOVERNMENT HOUSE, CAPE TOWN, *October* 26, 1863.

My Lord Duke,—I have the honour to report to your Grace, that the United States' war-steamer 'Vanderbilt' has again visited this Colony.

On her arrival in Table Bay, the Commander landed and delivered to me a letter, in which he represented himself to be in want of coals and repairs. On my objecting, with regard to the former, that three months had not elapsed since he had taken in a supply at Simon's Bay, he urged, that under Her Majesty's instructions the Governor of a Colony possessed the power to grant 'special permission,' as an exception to the general regulations on the subject, and he added, that it was within his own knowledge that the Confederate steamer 'Georgia' had called at Barbadoes twenty-seven days after coaling at the Bahamas; that the 'Florida' had at Bermuda taken in coals sufficient for a month, when three days would have taken her to a Confederate port, and that he himself had lately been allowed to coal at the Mauritius, although the Governor was

aware of his having coaled at Simon's Bay. I informed him, that I would send an answer to his application on the following day, and accordingly, after duly considering all the circumstances of the case, I directed the Colonial Secretary to acquaint him, that I did not feel at liberty, under all the circumstances of the case, to grant 'special permission' for the shipment of the coals.

I inclose copies of the correspondence, and trust your Grace will approve of the decision.

I have, &c.,
(Signed) P. E. WODEHOUSE.

Inclosure 2 in No. 2.

Commander Baldwin, U.S.N., to Sir P. Wodehouse.

'VANDERBILT,' CAPE TOWN, *October* 22, 1863

Sir,—I have the honour to make known to your Excellency the arrival here of this ship.

I have come to this harbour for the purpose of making some necessary repairs to my machinery, and also to get a supply of fuel.

I therefore ask your Excellency's permission to lie here for the above-mentioned purposes the necessary time, say from four to six working days.

I have, &c.,
(Signed) CHAS. K. BALDWIN.

Inclosure 3 in No. 2.

The Colonial Secretary to Commander Baldwin, U.S.N.

COLONIAL OFFICE, *October* 23, 1863.

Sir,—I am directed by the Governor to acquaint you, that he has given his best consideration to the letter which he had the honour of receiving from you yesterday, as well as to the verbal representations you made to him relative to the issue of coals to American vessels-of-war by the 'special permission' of the Governors of other British Colonies, as an exception to general directions of the British Government on the subject.

Looking to the stringent nature of the instructions he has received, the Governor entertains some doubt whether the authority to grant 'special permission' be really vested in himself. But he considers that there are special circumstances

affecting the ship under your command sufficient in themselves to guide him in dealing with your application.

It has been the unvarying desire of Her Majesty's Government to abstain, as far as practicable, from affording to either of the parties engaged in the American civil war, assistance in the prosecution of hostilities towards each other; and accordingly, in regulating the issue of coals at British ports to their ships-of-war, the object has manifestly been to restrict those issues to the supplies needed for carrying them to some defined destination in foreign parts, or from some foreign port to their own country, and not to facilitate their cruizing for an indefinite period for purposes of the war.

Applying this principle to the case of the 'Vanderbilt' the Governor finds that on her way from South America to the Cape she coaled at the British Colony of St. Helena; that shortly after that she coaled again at Simon's Bay; and that after remaining in the neighbourhood of our ports for a time, she proceeded to Mauritius, where she coaled again, and then returned to this Colony.

It is also matter of notoriety that the object of her movements has been to intercept the Confederate cruisers which have lately visited our shores. Under these circumstances, with the information now before him, the Governor believes that he would be acting in opposition to the spirit of Her Majesty's instructions if he were to grant 'special permission' for the issue of coals within the limited term of three months.

His Excellency has no objection to offer to your remaining in port for the time required for the completion of indispensable repairs.

I have, &c.,
(Signed) RAWSON W. RAWSON.

Inclosure 4 in No. 2.

Sir P. Wodehouse to the Duke of Newcastle.

GOVERNMENT HOUSE, CAPE TOWN, *November* 20, 1863.

My Lord Duke,—With reference to my recent Despatches respecting the Federal and Confederate war-steamers 'Vanderbilt' and 'Alabama,' I have the honour to forward communications received from the naval Commander-in-chief of this station, from which your Grace will learn that acts of very

questionable legality have been committed by the Federal steamer 'Vanderbilt.'

As the crew of the captured vessel have not yet reached Cape Town, I am not in a position to supply your Grace with more precise information by this mail.

I have, &c.,
(Signed) P. E. WODEHOUSE.

Inclosure 5 in No. 2.

Rear-Admiral Sir B. Walker to Sir P. Wodehouse.

'NARCISSUS,' SIMON'S BAY, *November* 15, 1863.

Sir,—I beg to forward for your Excellency's information, copy of a letter I have received from Captain Forsyth, of Her Majesty's ship 'Valorous,' who has this morning returned to this anchorage from Ichaboe, reporting the capture of the Colonial vessel 'Saxon,' by the United States' ship-of-war 'Vanderbilt,' at Angra Pequena, on the 30th ultimo.

I have, &c.,
(Signed) B. W. WALKER.

Inclosure 6 in No. 2.

Captain Forsyth to Rear-Admiral Sir B. Walker, Nov. 15, 1863.
[*See* Inclosure 2 in No. 1.]

Inclosure 7 in No. 2.

Sir C. Elliot to the Duke of Newcastle.

ST. HELENA, *November* 17, 1863.

My Lord Duke,—The United States' sloop 'Vanderbilt' called off this port on the 10th instant, but did not anchor. Commander Baldwin was so good as to send me a few newspapers, from which I collect that he had come on from the Cape of Good Hope, after having been as far to the eastward as the Mauritius. The 'Vanderbilt' left this place, steering about west-north-west.

2. I learn from an officer who visited the 'Vanderbilt,' that it was said on board she had called at Angra Pequena Bay, and captured there, or in that neighbourhood, the British barque 'Saxon,' belonging, as I am informed, to a firm at Cape Town. It was said that this barque had on board part of the cargo of

the American barque 'Sea Bride,' taken a few months since by the 'Alabama,' and armed, as I am informed, from that vessel, either as a tender to the Confederate ship, or under a commission, said to be issued by the Commander of the 'Alabama.' It has also been stated here that the 'Vanderbilt' found and appropriated a considerable quantity of coal at Angra Pequena, intended for the 'Alabama;' whether waterborne or on shore I cannot say.

3. Your Grace will probably have correct particulars of the case direct from the Cape, but I have thought it right to mention what has reached me upon the subject.

I have, &c.,
(Signed) CHARLES ELLIOT.

No. 3.

Messrs. Sinclair, Hamilton & Co., to Earl Russell.—(Received January 5.)

11, ST. HELEN'S PLACE, LONDON, *January* 4, 1864.

My Lord,—We have the honour to address your Lordship as the Agents in this country of Messrs. W. Anderson, Saxon, & Co., Cape Town, Cape of Good Hope, with reference to the seizure, by the United States steamer 'Vanderbilt,' of the British barque 'Saxon,' belonging to them.

We are informed that that vessel has been sent to New York in charge of a prize crew. The original crew are, we believe, now at Cape Town, except the chief mate, who is said to have been killed; but as the crew had not arrived at the date of the last advices, we must await arrival of the next mail before we can lay before your Lordship the depositions of the master and crew of the 'Saxon.'

We presume your Lordship is already in possession of the information collected by the Commander of Her Majesty's ship 'Valorous.' Our information is, that the 'Saxon' was seized while at anchor, as we believe, in British waters. The ground of the seizure is alleged to be, that the 'Saxon' had on board cargo that had been landed by the Confederate vessels-of-war and had been taken from Federal prizes. We have no detailed information on this subject, but assuming the fact to be as

stated, we are advised that it would form no ground for the seizure of the ship.

We have further to inform your Lordship that Messrs. W. Anderson, Saxon, & Co., had stored, on Penguin Island, British territory, 250 tons of coals, which are reported to have been either seized or destroyed by the Commander of the 'Vanderbilt.' For the present we shall abstain from remarking further on this proceeding until we receive direct evidence of the facts; but in the meantime we have to beg that your Lordship will cause such steps to be taken as may be necessary for the protection of our friends Messrs. Anderson, Saxon, & Co., whose rights as British subjects have thus been infringed.

We have, &c.,
(Signed) SINCLAIR, HAMILTON & CO.

No. 4.

Mr. Hammond to Messrs. Sinclair & Co.

FOREIGN OFFICE, *January* 6, 1864.

Gentlemen,—I am directed by Earl Russell to acknowledge the receipt of your letter of the 4th instant, respecting the seizure of the barque 'Saxon' by the United States steamer 'Vanderbilt;' and I am to inform you that this case is under the consideration of Her Majesty's Government.

I am, &c.,
(Signed) E. HAMMOND.

No. 5.

Consul Archibald to Earl Russell.—(Received January 9.)

NEW YORK, *December* 23, 1863.

My Lord,—I have the honour to transmit, herewith inclosed, for your Lordship's information, a copy of my Despatch of this date to Lord Lyons, reporting the arrival at this port of the barque 'Saxon,' in charge of a prize crew.

I have, &c.,
(Signed) E. M. ARCHIBALD.

Inclosure 1 in No. 5.

Consul Archibald to Lord Lyons.

NEW YORK, *December* 23, 1863.

My Lord,—I have the honour to report to your Lordship the arrival at this port, in charge of a prize crew from the United States ship 'Vanderbilt,' of the British barque 'Saxon of Cape Town.

The 'Saxon' was captured by the 'Vanderbilt' at Angra Pequena, on the West Coast of Africa, on the 29th October last. Her cargo consists principally of wool, and is stated to have been part of the cargo of the American barque 'Conrad,' heretofore captured by the Confederate States' ship 'Alabama.' The inclosed slip from the newspapers of this morning contains all the information I have as yet obtained in reference to this capture.

I have, &c.,
(Signed) E. M. ARCHIBALD.

Inclosure 2 in No 5.

Report of the Capture of the 'Saxon.'

The barque 'Saxon,' captured on the West Coast of Africa by the cruiser 'Vanderbilt.'

The barque 'Saxon,' of Cape Town, Cape of Good Hope, arrived at this port last evening from Angra Pequena, West Coast of Africa, in charge of Acting Master E. S. Keyser, of the United States' steamer 'Vanderbilt.' The 'Saxon' was captured by the 'Vanderbilt' on the 28th of October, at the above place, about four hundred miles north of the Cape of Good Hope. She had on board part of the cargo of the barque 'Conrad,' which vessel was captured by the privateer 'Alabama,' and afterwards converted into the privateer 'Tuscaloosa.' The cargo is principally wool.

The 'Saxon' was formerly the American barque 'Lucy Johnson,' of New London, but was wrecked at Table Bay, and was subsequently purchased by Messrs. Anderson & Saxon, of Cape Town; she is about 250 tons burthen.

The 'Vanderbilt' also found at Penguin Island 200 tons of coal which had been left there for the benefit of the rebel privateers. It was confiscated by the Captain of the 'Vanderbilt.' All on board the 'Vanderbilt' are well.

No. 6.

Consul Archibald to Earl Russell.—(Received January 19.)

NEW YORK, *January* 5, 1864.

My Lord,—Referring to my Despatch of the 23rd ultimo, reporting the capture and arrival at this port of the barque 'Saxon,' of Cape Town, I now have the honour to transmit, herewith inclosed, for your Lordship's information, a copy of my Despatch of this date to Lord Lyons, reporting the further proceedings in the case of the 'Saxon,' and inclosing a copy of a deposition made before me by the late second mate of that vessel.

I have, &c.,
(Signed) E. M. ARCHIBALD.

Inclosure 1 in No. 6.

Consul Archibald to Lord Lyons.

NEW YORK, *January* 5, 1864.

My Lord,—Referring to my Despatch of the 23rd ultimo, in reference to the capture and arrival at this port of the barque 'Saxon' of Cape Town, I now have the honour to report that testimony *in preparatorio* has been taken before the Prize Commissioners, and a libel has been filed, the process on which is returnable on the 19th instant. I have accordingly directed an appearance and claim to be entered in my name, as Consul, on behalf of absent owners of vessel and cargo, who appear to have no agent or correspondent at this port, in order to prevent a judgment by default, and to gain time for their defence, and for proof in support of their claims.

Of the crew of the 'Saxon,' the captors brought over the second mate, named David Aitchison, and the cook, named William Johnson. I was yesterday enabled to obtain the deposition of the second mate in relation to the circumstances connected with the capture of the 'Saxon,' and more especially respecting the shooting of the chief mate, James Gray, by a Mr. Donohoe, an officer of the 'Vanderbilt' who was at the time on duty on board the 'Saxon.'

The second mate, Aitchison, is a very intelligent young man, and from the statements in his deposition (a copy of which I have the honour to transmit, herewith inclosed, for your

Lordship's information), the shooting of the mate Gray appears to have been an act of wilful murder. I presume that a report of the facts of the case will, before this time, have reached Her Majesty's Government from Cape Town. The second mate has shipped at this port on board the barque 'Cleveland,' a British vessel which sailed from hence yesterday, bound for London, where he can be had for further examination, if requisite. I have been unable to obtain the name and address of the consignees in London, of the 'Cleveland.' The name and address of the owner is Solomon Mease, North Shields.

I have not as yet been able to procure the attendance before me of William Johnson, the cook of the 'Saxon.' I am informed, however, by the second mate, that he, the cook, was not a witness of the shooting of the mate by the officer, Donohoe.

I have, &c.,
(Signed) E. M. Archibald.

Inclosure 2 in No. 6.

Affidavit of the Second Mate of the Saxon.

British Consulate, New York.

David Aitchison, a native of Dundee, Scotland, mariner, of the age of 29 years, at present at New York, maketh oath, and saith as follows :—

On the 23rd of August last I shipped at Cape Town on board the barque 'Saxon,' of Cape Town, Stephen Sheppard, master, for a voyage to Ascension, Angra Pequena, and Falmouth, for orders. I shipped as second mate; the mate's name was James Gray, a native of Aberdeen, Scotland. We sailed from Cape Town early in September (I do not remember the day) and proceeded to Ascension. We carried cattle and forage, being partly in ballast. We landed the cattle at Ascension, where we remained seven days, and then proceeded to Angra Pequena, on the West Coast of Africa, where we arrived about the middle of October. About the 23rd of October we began to take in cargo. We were delayed in loading owing to the absence of the agent, Captain Boyce, who had gone down to leeward. We laded 156 bales of wool and hides; 30 of the bales were hides. We were five days in loading. The wool and hides were lying on the shore, and were brought off in a large flat-bottomed boat. On the day that the loading of

the 'Saxon' was completed, the United States' steamship 'Vanderbilt' arrived at Angra Pequena, and anchored about a mile or a mile and a half from us. She sent a boat with two officers and a crew on board of the 'Saxon.' One of the officers was named Donohoe; he was an acting master's mate. The officer in charge of the boarding party had some conversation with Captain Sheppard, and had the after-hatch taken off, and looked at the cargo. He demanded the ship's papers, which were handed to him by Captain Sheppard, who asked to have them back, as he was loaded and ready for sea. The officer refused to return them, and said he would take them on board the 'Vanderbilt.' The officer then returned with the boat's crew to the 'Vanderbilt,' taking the papers, and leaving on board the 'Saxon' the officer Donohoe above mentioned, in charge of the 'Saxon.' We then went to dinner in the cabin of the 'Saxon;' that is, Captain Sheppard, the mate James Gray, the officer Donohoe, and myself. Donohoe well knew Gray to be the mate of the barque. Late in the afternoon three boats' crews from the 'Vanderbilt' came on board of us, being in all about fifty men, all armed. The men all had a glass of grog on board the 'Saxon,' being wet in coming on board. The officer in charge of the whole party was a Lieutenant Keefe; he said his orders were to get the barque under weigh, and bring her down the lagoon.

By this time the 'Vanderbilt' sighted a barque outside, and proceeded to sea after her. The 'Saxon' was then got under weigh, and proceeded a short way down the lagoon, and then anchored again. Captain Sheppard asked Mr. Keefe for permission to send on shore some salt beef, pork, and bread for six men, who had been assisting in loading the 'Saxon,' until a supply should come for them from Cape Town. Lieutenant Keefe granted permission, and a signal being made for the six men, they came off in their boat. They were men who carried on the business of digging guano, and sealing, and had been for eight months and upwards at that and other neighbouring places on the coast, under charge of Captain Boyce. When the men came on board they went to get their provisions out of the cask, under the superintendence of the master and mate of the 'Saxon.' There was some little confusion, and Lieutenant Keefe told Captain Sheppard that the men had got enough provisions, and ordered Captain Sheppard and the mate Gray to go into the cabin. Mr. Keefe and the Captain proceeded aft together, and went up the steps of the poop, the mate following

close after them. The Captain went down the companion way into the cabin, and as the mate went up the steps of the poop, and was going aft towards the companion way, the officer Donohoe, above-mentioned, who was stationed at the break of the poop, called him back, and took hold of him, trying to stop him. A stout man, belonging to the 'Vanderbilt,' who stood behind Donohoe, pushed the mate forward, at the same time that Donohoe also took hold of the man to push him forward. The mate being thus pushed was falling forward, down the poop steps, when Donohoe fired at him with a revolver, and shot him —the ball entering the mate's head below the right ear. The mate fell on the deck apparently dead. I was standing near the mainmast at the time of the occurrence, and saw all that passed. I was about six or eight yards distant. On seeing Gray fall I immediately went to him, and lifted up his head. He never spoke, and must have been dead within half a minute after falling. As I took the mate's head on my knee, I heard Donohoe say, 'We must obey orders,' or, 'He must obey orders'—I am not sure which. About a minute afterwards he added, 'Well, it is an accident, my revolver was cocked.' On hearing the report of the revolver Captain Sheppard came running out of the cabin, and saw Gray lying on the deck, and said to me, 'Is Gray dead?' I replied, 'Yes, sir.' He said, 'Poor Gray, he has been with me for six years.' Lieutenant Keefe, who was standing on the poop, called out, 'Is that man dead?' Several of us replied 'Yes.' He said 'Then put him down the after-hold, and put the hatches on.' The body was put down there accordingly. When Mr. Donohoe stopped the mate, the mate said he belonged aft, and he wanted to go to his cabin. When the revolver was fired, all the men of the 'Vanderbilt' who were on board drew their cutlasses, which frightened the six men who had come from the shore, and they thereupon rushed over the vessel's side into their boat and went ashore.

The whole of the men from the 'Vanderbilt' remained on board the 'Saxon' all night and until the afternoon of the next day, when the 'Vanderbilt' returned from sea. We had our flag half-mast. A boat was sent from the 'Saxon' on board the 'Vanderbilt,' to tell them of the mate's having been shot. On the same evening the corpse was buried on the shore. That night the prize-crew came on board, consisting of a Captain Keyser and fifteen hands, and the next day the 'Saxon' was got under weigh, and proceeded to New York. Captain Sheppard, and ten of the crew, were landed at Angra Pequena.

Myself and the cook, William Johnson, a coloured man, were brought on to New York. I assisted in working the barque over, under the orders of the Prize-Master. I had charge of a watch. We arrived at New York on the 22nd ultimo. I was detained one day on board of the guard ship, and for two days in the House of Detention, and gave my evidence before the Prize Commissioners. I told them about the shooting of the mate, but they did not take down my evidence on that point.

(Signed) DAVID AITCHISON.

Sworn by the said David Aitchison at the British Consulate, New York, this 4th day of January, A.D. 1864, before me.

(Signed) E. M. ARCHIBALD,
Her Britannic Majesty's Consul.

No. 7.

Earl Russell to Lord Lyons.

FOREIGN OFFICE, *January* 21, 1864.

My Lord,—The fact of the capture of the British vessel 'Saxon,' at Angra Pequena, on the coast of Africa, by the United States' steamer-of-war 'Vanderbilt,' will have been made known to your Lordship by the arrival of that vessel at New York, in charge of a prize crew. I inclose, for your information, copies of the papers relating to the transaction which have been transmitted to this office from various quarters.

I should inform you that Angra Pequena is not a possession of the British Crown, though situated at no great distance from Her Majesty's possessions on that coast.

The Law Officers have not yet sufficient information before them to enable them to form a definitive opinion on the subject, and you will see by the inclosed copy of a letter which has been addressed by my direction to the Admiralty, to the Colonial Office, and to Messrs. Sinclair, Hamilton, & Co., that I am endeavouring to obtain it for them.

In the meantime, however, I have to instruct your Lordship to call the attention of the Government of the United States to the apparently extraordinary circumstance of the capture, at so great a distance from American waters, of a British Colonial vessel, which was certainly not exposed to the suspicion of con-

templating any breach of blockade, or, so far as appears, of carrying contraband of war to the enemies of the United States; and your Lordship will request the Government of the United States either to direct the immediate release of the 'Saxon,' with proper compensation to the owners, or at least to explain the ground on which her seizure and detention are supposed to be justified.

I received the day before yesterday from Mr. Consul Archibald a copy of the deposition which has been communicated to your Lordship respecting the murder of the mate of the 'Saxon,' at the time of her capture, by one of the officers of the 'Vanderbilt;' and as soon as I have been able to ascertain the view taken by the Law Officers of the transaction, I shall furnish your Lordship with such special instructions on that feature in the case as they may recommend.

I am, &c.
(Signed) RUSSELL.

No. 8.

Mr. Hammond to the Secretary to the Admiralty.

FOREIGN OFFICE, *January* 21, 1864.

Sir,—I am directed by Earl Russell to request that you will acquaint the Lords Commissioners of the Admiralty, that his Lordship has been in communication with the Law Officers of the Crown on the subject of the capture, at Angra Pequena, on the coast of Africa, of the British vessel 'Saxon,' by the United States' steamer 'Vanderbilt,' to which the attention of this Office was called by your letter of the 22nd ultimo, and by similar communications received from other quarters.

The Law Officers have, however, stated to Lord Russell, that they cannot finally advise his Lordship as to the course which should be taken in the matter, without having before them a fuller communication of facts; and they desire particularly to be informed, when, and by what means, and for what consideration, or under what arrangements, the 'Saxon' became interested or concerned in the shipment or carriage of the wool taken by the 'Alabama,' in the 'Tuscaloosa,' which had been deposited at Angra Pequena; and whether the coals, stated to have been seized by the 'Vanderbilt,' were, at the

time of seizure, on shipboard or on land, and whether they had been conveyed to or deposited in the place where they were found by the 'Saxon' for any purpose connected with the supply of the 'Alabama.'

I am to request that you will move the Lords Commissioners of the Admiralty to take such steps as they may judge most calculated to enable his Lordship to lay before the Law Officers the information desired by them on the several points to which I have adverted.

I am, &c.
(Signed) E. HAMMOND.

No. 9.

The Secretary to the Admiralty to Mr. Hammond.—(Received January 23.)

ADMIRALTY, *January* 22, 1864.

Sir,—With reference to your letter of yesterday, I am commanded by my Lords Commissioners of the Admiralty to state, for the information of Earl Russell, that Rear-Admiral Sir Baldwin Walker will be called upon to report on the points therein mentioned with regard to the case of the British vessel 'Saxon,' captured at Angra Pequena by the United States' steamer 'Vanderbilt.'

My Lords would suggest that information on this subject might also be obtained from the Governor of the Cape of Good Hope.

I am, &c.
(Signed) C. PAGET.

No. 10.

The Secretary to the Admiralty to Mr. Hammond.—(Received January 29.)

ADMIRALTY, *January* 25, 1864.

Sir,—I am commanded by my Lords Commissioners of the Admiralty to send you herewith, for the information of Earl Russell, and with reference to previous correspondence, a copy of a letter, dated the 17th ultimo, from Rear-Admiral Sir

Baldwin W. Walker, Bart., respecting the seizure of the British Colonial vessel 'Saxon,' at Angra Pequena, by the United States ship-of-war 'Vanderbilt,' together with copies of the statements of the Master and crew of the 'Saxon' of the circumstances attending the seizure.

I am, &c.
(Signed) W. G. ROMAINE.

Inclosure 1 in No. 10.

Rear-Admiral Sir B. Walker to the Secretary to the Admiralty.

'NARCISSUS,' SIMON'S BAY, *December* 17, 1863.

Sir,—Referring to my letter, dated the 17th ultimo, reporting the seizure of the British Colonial vessel 'Saxon,' on the 30th October last, by the United States' ship-of-war 'Vanderbilt,' at Angra Pequena, on the South-west Coast of Africa, I beg to inclose, for their Lordships' information, the statements of the Master and crew of the 'Saxon,' who have since returned to Cape Town, containing full particulars of the proceedings of the American officers, and of the death of the chief mate of the 'Saxon,' who was shot by one of them after the seizure of the vessel.

It is alleged that Penguin Island, at Angra Pequena, near to which the 'Saxon' was lying, is British territory. I find, on inquiry, it was annexed to this colony in August, 1861, together with Ichaboe and others, as a guano island, by a proclamation of Sir George Grey, subject to the approval or disapproval of Her Majesty's Government, but it does not appear to have been confirmed or noticed in any way from home.

I have, &c.
(Signed) B. W. WALKER.

Inclosure 2 in No. 10.

Statement of the Master of the 'Saxon.'

I sailed from Ascension on September 26, and arrived at Angra Pequena on October 16.

On the 27th I commenced taking in cargo—skins and wool. On October 30, at 11 A.M., we finished loading. The carpenter then commenced to batten down the hatches, the men being employed in clearing decks and securing spars, and getting ready for sea.

About 1 P.M. we saw a steamer rounding Angra Point, which proved to be the Federal man-of-war 'Vanderbilt.' She came to an anchor abreast of Penguin Island, lowered a boat, and sent it to board the 'Saxon,' with two officers and a boat's crew, all armed. At 1.30 P.M. she boarded us, and the officer asked where I was from. I told him from Ascension.

He then asked how long I had been at Angra Pequena; and I told him. He also asked what my cargo consisted of; and I told him.

He then requested me to show him my papers. I asked what authority he had to look at my papers. He said Captain Baldwin had sent him to look at the ship's papers; and added, 'It is of no use, captain, I must see your papers.' I then showed him the ship's papers. He read them and said, 'Skins and wool; that will do,' and went on deck, taking the papers with him.

He looked down the hold, and asked me if I knew where the skins and wool came from. I told him that all I knew about it was, that I had come there to take it in. He then told me he must take my papers to Captain Baldwin, and would leave an officer on board to make a signal in case I should attempt to move the ship. I told him I was ready for sea, and would go, papers or no papers, and take with me the officer he might leave.

He then said I had better try it, as the steamer would go faster than we could. He then left the ship, leaving a junior officer on board. At the same time that the officer left my ship, a second boat, with another officer and crew, all armed, put off from the steamer. They came on board about 2.30 P.M., and took charge, placing armed men all round the ship, and driving my crew below.

The officer never reported to me that he had come to take charge, until I went to him and asked him what he had come to do. His answer was, 'Who are you, sir?' I told him that I was the Master of the ship. He replied, 'You are now no more Master of this vessel, and I will thank you to go below, and give no more orders, sir; further, I will not allow you to speak to any of the ship's company.' I told him he might as well have behaved as a gentleman, and have come to me and told me what his business was, instead of taking charge without acquainting me with his intention, *and before Captain Baldwin* had seen my papers. He then ordered me below. About 4 P.M. the island men that were helping to load the ship came

alongside in a boat with some fish, and asked for some meat and bread, as they had had nothing to eat since breakfast. I told my chief officer he might give them some, but that he must first ask the officer in charge of the ship. He did so; and the officer in the first instance said they might have some, but afterwards changed his mind, and with impious imprecations said they should not have a bit. I then said to the officer, 'Let us go forward and give them some.' He said, 'No, you shall not go forward, and they shall not have anything from the ship.' I then said, 'They shall have something to eat,' and was going forward, when the officer ordered his men to stop me, and take me below, which they did, the officer at the same time saying, 'My fine fellow, if you don't go below, I will very soon put you where the dogs won't bark at you.' I had been below about nine or ten minutes, with a sentry over me, when I heard the report of a pistol. I instantly rushed on deck, and was told they had shot the mate. I went to support the mate in my arms. He never moved or spoke. He was shot dead. I said to the officer in charge, 'Why have you shot my mate?' His reply was, 'It was an accident.' I then asked the junior officer who shot the mate, and why he did it? He said, 'Poor fellow, I am sorry for him; but I must obey orders.' They then hove up the anchor, and dropped the 'Saxon' abreast of Penguin Island.

The 'Vanderbilt' at this time was in chase of another vessel that hove in sight. She returned next morning. Captain Baldwin sent for me on board the 'Vanderbilt.' Upon my going on board, Captain Baldwin addressed me thus:—'You are Captain Sheppard, of the barque "Saxon?"' 'Yes, sir,' I replied. 'Well, Captain,' he continued, 'I am very sorry for you, but your papers are not satisfactory to me, and I must make a prize of the "Saxon," and send her to the prize authorities at New York. We know that it is the "Tuscaloosa's" cargo that you have on board. It was brought here by the Confederates, and it is American property. That is the ground upon which I make a prize of your ship. I must do my duty to my country, and protect American property.'

The 'Vanderbilt' steamed into Penguin Island when I was on board of her, and commenced taking in coal that was on shore there. I told Captain Baldwin the island was British territory. He replied, 'I cannot help it; I want coal, and must have it.' Captain Baldwin had a coffin made for Mr. Gray, the chief officer, and he was buried on the mainland on the

31st October, by the 'Vanderbilt's' men. They would not allow of any of the ship's company, except myself, to follow him. On the 1st November they landed me and my crew on the mainland, with a little bread and water, not sufficient for one day, and our personal effects.

We walked along the coast to the shore opposite Halifax Island, to which we crossed in a boat. We arrived in the evening. On November 3rd, the schooner 'Isabel,' of Cape Town, Captain Roe, came in and took us on board. We proceeded to Ichaboe, and then to Hottentots' Bay, where we arrived on 10th November. On November 13th, we went on board the 'Lord of the Isles,' bound to Table Bay, where we arrived on 21st November.

Inclosure 3 in No. 10.

Statement of the Crew of the 'Saxon.'

CAPE TOWN, *November* 23, 1863.

About 11 A.M. on the 31st October, while lying at anchor at Angra Pequena, we saw a large steamer, which afterwards turned out to be the 'Vanderbilt,' rounding the point. She dropped anchor, and lowered a boat, which pulled for us and boarded us. The officer, after looking at the ship's papers, said he would take them on board the 'Vanderbilt,' which he did, after leaving a junior officer in charge, with orders not to allow the anchor to be weighed. Captain Sheppard told him that he was quite ready for sea, and he intended getting under weigh immediately after dinner. The officer said he could not, as he had his papers. Captain Sheppard said he would go, papers or not. The officer then went on board the 'Vanderbilt,' but returned almost immediately with another boat's crew, when he took charge.

About this time a whale-boat's crew (belonging to an island called Halifax) came on board with some fish, when they asked Captain Sheppard for some bread and meat, as they had none in the boat.

The captain asked the American officer, who said that they might have some, but soon afterwards changed his mind, and said they might not. The men then appealed to Captain Sheppard, who said, 'Heave it into the boat; if they stop you I can't help it.' The American officer then came to Captain Sheppard and touched him on the shoulder, saying, 'You had better go aft, you are giving too many orders here;' adding, 'if

you don't, I'll put you where the dogs won't bark at you,' laying his hand on his revolver at the same time.

The captain then went aft and was confined to his cabin under a sentry's charge.

A short time afterwards, Mr. James Gray, the chief officer, went aft to go on the poop, but had only got to the top of the ladder, when a junior American officer, a Mr. Donohoe, told him to go down; Mr. Gray did not go immediately, not exactly knowing what was the matter, when the officer repeated the order, saying, 'If you do not, I will shoot you,' at the same time shoving him. Mr. Gray's foot caught in one of the steps of the ladder, when he turned half round and looked up in the officer's face, who then drew a revolver and shot him dead. We attempted to go aft to pick up Mr. Gray, when the senior officer told his men to draw swords and drive us forward, which they did, abusing us at the same time. We went aft afterwards and found Captain Sheppard and the second mate supporting the mate's head. The ball had entered behind the left ear and gone down into his body. The officer who shot him said he was sorry for the man, but he should obey orders, adding, 'There is some humbug about that boat,' meaning the whale-boat, adding that five men came off in her, and seven were going on shore: that they were all 'Alabama's' men, and they 'ought to go on shore and do for the b——dy lot of them.' He then pointed his pistol to the body of Mr. Gray, saying, that is one of the 'Alabama's' men too. We were kept below all night, with orders not to come on deck without hailing the sentry, if we did not want to be shot.

They buried the body of Mr. Gray late in the morning opposite Penguin Island. The barque was dropped down where the 'Vanderbilt' had been lying (but which was then in chase of a vessel in sight). The 'Vanderbilt' came in next morning, and went inside Penguin Island, where she took in a lot of coals that were there, and went to sea next morning. We were landed on Sunday morning, and about a quarter of a bag of bread and a small keg of water. We then walked over the mainland to a place opposite Halifax, when the men on the island came for us in a boat.

We stayed two days on the island when the schooner 'Isabel' came in and took us down to Ichaboe, where we stayed a few days, when we went to Hottentots' Bay, where we went on board the brig 'Lord of the Isles,' and came to Cape Town.

EXERCISE III.

Correspondence relating to the Gambling House License System in Hong Kong.

No. 1.

Copy of a Despatch from the Officer Administering the Government to the Earl of Kimberley.

GOVERNMENT HOUSE, HONG KONG, *August* 29, 1870.

My Lord,—I have the honour to transmit herewith extracts from the Minute of the Executive Council, held on the 16th and 17th of August, from which your Lordship will perceive that the advice given to me is to the effect that, unless instructions to the contrary shall have been received previously to the 1st of January, 1871, the gaming houses shall at that date be closed, and that in the meanwhile the present licensees shall be allowed to continue in charge.

In accordance with the advice thus tendered, I have notified to Wohang and others that they may continue to hold the licenses to the 31st of December next, but I will not conceal from your Lordship that, had the continuance or immediate cessation of the gambling system been left to my judgment and feelings, I should have had no hesitation in closing the gaming houses on the expiration, on the 30th of September, of the present licenses; as I am in no way convinced that to their maintenance any check on crime is to be attributed, and I see no reason why the colony should have all the odium of a pernicious system attached to it, whilst it is debarred from that application of the accruing funds which would be of lasting benefit to public institutions generally, and more especially to those connected with the Chinese.

I have, &c.,
(Signed) H. W. WHITFEILD,
Major-General and Lieutenant-Governor.

Inclosure 1 in No. 1.

Extract from the Minutes of the Executive Council of Hong Kong, held on Tuesday, the 16th August, 1870.

Present:

His Excellency Major-General Whitfeild, Lieutenant-Governor.
The Honourable John Gardiner Austin, Colonial Secretary.
The Honourable Julian Pauncefote, Attorney-General.
The Honourable Cecil C. Smith, Registrar-General.

Absent:

The Honourable W. H. Rennie, Auditor-General, absent on leave.

The Council meets this day at noon by special summons.

* * * * *

His Excellency remarks, that the term of the licensed gaming houses, held by Wohang and others, will expire on the 30th September next, and desires to learn the advice of the Council as to the expediency, or otherwise, of continuing the system.

The subject is partially discussed, and further consideration thereof deferred until the next meeting.

Inclosure 2 in No. 1.

Extract from the Minutes of the Executive Council of Hong Kong, held on Wednesday, the 17th August, 1870.

Present:

His Excellency Major-General Whitfeild, Lieutenant-Governor.
The Honourable John Gardiner Austin, Colonial Secretary.
The Honourable Julian Pauncefote, Attorney-General.
The Honourable Cecil C. Smith, Registrar-General.

Absent:

The Honourable W. H. Rennie, Auditor-General, absent on leave.

The Council meets this day at noon, pursuant to adjournment.

* * * * *

His Excellency recalls the attention of honourable members to the subject of the licensed gaming houses, and after a full

consideration of the views expressed in the various Despatches from the Secretary of State, of the diminution of crime, and of the improvements effected in the constitution of the police, the Council advise that the present licensees should be allowed to continue in charge of the houses until the 1st January, 1871, with a view to the closing of the gaming houses at that date, unless instructions to the contrary should be received in the meanwhile from the Secretary of State.

(True extracts.)

L. D'ALMADA E CASTRO, *Clerk of Councils.*

No. 2

Copy of a Despatch from the Earl of Kimberley to the Officer Administering the Government.

DOWNING STREET, *November* 1, 1870.

Sir,—I have received your Despatch of the 29th August, stating that your Executive Council have advised you that, unless instructions to the contrary shall have been received previously to the 1st of January next, the gaming houses shall at that date be closed, and that in the meanwhile the present licensees shall be allowed to continue in charge, and that in accordance with their advice you have notified to the licensees that they may continue in charge of the houses until the 31st of December.

In reply, I have to refer you to the telegraphic message which I sent to you on the 28th ultimo, in the following words: 'Your Despatch received. Issue fresh gambling licenses on expiration of old ones. Make no alterations without instructions.' I must observe that, except in cases of urgent necessity, where delay would be dangerous, it is extremely unadvisable that an officer, in the temporary administration of the Government, should take upon himself to depart from the policy of the Governor, whose place he occupies, without express directions from the Secretary of State; and I should wish to be informed whether you had any other reasons besides those which you have stated in justification of the unusual course you have pursued.

I have, &c.,

(Signed) KIMBERLEY.

No. 3.

Extract from a Despatch from the Officer Administering the Government to the Earl of Kimberley; dated Government House, Hong Kong, 10*th December*, 1870.

I have the honour to transmit herewith, for the information of your Lordship, the copy of a letter received from the Chief Justice, calling attention to the case of one Soterloo, who had been convicted of felony at the November Sessions of the Supreme Court.

Inclosure in No. 3.

THE SUPREME COURT, HONG KONG, *November* 29, 1870.

Sir,—I have the honour to inclose the calendar of the criminal Sessions for this month, containing the names of two prisoners who attributed to the licensed gambling houses the inducements to their crimes; as to one, his excuse was unsustained by evidence, but the case of the other is a most painful one.

Soterloo (cases 7 and 8) as a confidential servant to a Japanese merchant, accompanied his master to this colony. He had been known from a boy to his master, who stated that he had always had a good character.

Soterloo pleaded guilty to each charge. The total amount in value which he had feloniously obtained between the 2nd and 19th of October last, appears to have been a sum exceeding 400 dollars.

From the depositions taken before Mr. May, copies of which I have directed to be forwarded to you for the information of his Excellency the Lieutenant-Governor, it appears that the allurements of four licensed gambling houses, flaunted in the public streets, tempted this poor man into these houses, and that as he lost his master's moneys, he sought to restore them from time to time by staking further sums, feloniously obtained, and he is now not only a convicted felon, but a man whose remorse has disturbed his reason.

Whether this man's destruction, socially and mentally, is more attributable to the temptation, or to the criminal so tempted, and whether Governmental regulations under which such a case is possible should continue in force, are serious questions, towards the solution of which I feel it is my duty to furnish this, as well as the numerous previous cases, for the con-

sideration of the Government, as facts in support of the necessity for passing the Ordinance, the draft of which I sent to you, with observations, on the 11th of August last, to the force of which each subsequent criminal Session has added.

I have, &c.,
(Signed) JOHN SMALE,
Chief Justice.

The Honourable J. Gardiner Austin,
Colonial Secretary.

No. 4.

Copy of a Despatch from the Officer Administering the Government to the Earl of Kimberley.

GOVERNMENT HOUSE, HONG KONG, *December* 20, 1870.

My Lord,—I have the honour to acknowledge your Lordship's Despatch of the 1st of November, requesting me to state whether I had any other reasons, besides those which I had stated, in justification of the unusual course which I am assumed to have pursued in reference to the issue of fresh gambling licenses.

In reply, I beg to refer your Lordship to my Despatch of the 26th November, and to add, in further explanation, that there was no intention whatever of departing from the policy of Sir Richard Graves MacDonnell, in reference to the gambling houses, without the sanction of your Lordship.

It was for this reason, and in order that your Lordship should not be hampered in your decision by the issue of fresh licenses for twelve months, that the old ones were extended to the 31st December.

I have, &c.,
(Signed) H. W. WHITFEILD,
Major-General and Lieutenant-Governor.

No. 5.

Copy of a Despatch from the Officer Administering the Government to the Earl of Kimberley.

GOVERNMENT HOUSE, HONG KONG, *January* 7, 1871.

My Lord,—With reference to my Despatch of the 26th of November, in which I mentioned that a notice calling for fresh tenders for the gambling licenses had been issued, I have now the honour to acquaint your Lordship that, as the investigations made by the Registrar-General in reference to the position and stability of the parties tendering have proved that many were put forward solely with a view to give increased chances to one at the drawing of lots, I have, with the advice of the Council, rejected all tenders, and determined on the disposal of the licenses by public auction, as authorised by the Duke of Buckingham and Chandos' Despatch of the 2nd of December, 1868.

I have good reason, too, to believe that the monthly pay of 13,340 dollars, fixed by Sir Richard MacDonnell, and which was, therefore, proposed by myself for the present drawing, is far below what the gambling receipts should justify, and that open competition will increase the value of the licenses to the Government by 4,000 dollars or 5,000 dollars per month, if not more.

The auction takes place on the 12th instant, and I will communicate the result to your Lordship, without delay.

I have, &c.,
(Signed) H. W. WHITFEILD,
Major-General and Lieutenant-Governor.

Inclosure in No. 5.

Government Notification.

In reference to Government Notification of the 23rd November, 1870, notice is hereby given that the Gaming House Licenses will be put up to auction, in lieu of the drawing of lots, at 2 P.M., on the 12th instant, at the Government Offices.

The conditions under which the auction will be held are hereunto annexed.

(By Command),
J. GARDINER AUSTIN,
Colonial Secretary.

Colonial Secretary's Office, Hong Kong, 6th January, 1871.

1. No person to bid unless he shall, prior to the time of sale, have deposited in the Colonial Treasury the sum of 10,000 dollars as a pledge of the *bona fides* of his offer. The bid of every person who shall have failed to make such a deposit shall be deemed void. The deposit will be returned on demand to the owner thereof, in case he should not be the successful bidder.

2. None but Chinese, and no person in the employ of the Government, or holding any contract with any department of the public service, shall be qualified to bid.

3. The upset price is fixed at 13,300 dollars per month, and no advance of less than 100 dollars at a time shall be received.

4. The highest bidder above the said price of 13,300 dollars per month, shall be entitled to the grant of the licenses, and shall hold the same, subject to the regulations of the Governor in Council in force for the time being. His deposit will be retained on account of payments under the license.

5. In case the highest bidder shall have failed to deposit the sum of 10,000 dollars in the Treasury before the auction, in pursuance of the first condition, or shall be otherwise disqualified to bid, or in case any dispute shall arise between two or more bidders,—so often as the same shall happen,—the bidding shall be re-opened and shall continue until the highest qualified bidder shall be ascertained.

6. The person declared to be the successful bidder shall be bound to open the licensed houses in the localities mentioned in the rules and regulations of the Governor in Council, and in conformity with the said rules and regulations, on the 1st February, 1871. In default whereof his deposit of 10,000 dollars shall be forfeited to the Crown, and his license may be cancelled.

No. 6.

Copy of a Despatch from the Officer Administering the Government to the Earl of Kimberley.

GOVERNMENT HOUSE, HONG KONG, *January* 24, 1871.

My Lord,—With reference to my Despatch of the 7th January, I have the honour to inclose, for the information of your Lordship, the copy of a letter received from the Government Auctioneer, in which he reports that the gaming house licenses

were put up to public auction on Thursday, the 12th instant, and were knocked down to Ho-a-Sik, of the Hinam Hong, for the sum of 15,800 dollars.

I also inclose for your Lordship's information an extract from the minutes of the Executive Council, showing the grounds on which it was deemed advisable to dispose of the licenses by public auction.

I have, &c.,
(Signed) H. W. WHITFEILD,
Major-General and Lieutenant-Governor.

Inclosure 1 in No. 6.

HONG KONG, *January* 13, 1871.

Sir,—I have the honour to inform you that the gaming house licences were put up to public auction on Thursday the 12th day of January, 1871, and were knocked down to Ho-a-Sik, of Hinam Hong, for the sum of fifteen thousand eight hundred (15,800) dollars per month.

I have, &c.,
(Signed) J. M. ARMSTRONG,
Government Auctioneer.

The Honourable J. G. Austin,
Colonial Secretary, Hong Kong.

Inclosure 2 in No. 6.

Extract from the Minutes of the Executive Council of Hong Kong, held on the 5th of January, 1871.

Present:

His Excellency Major-General Whitfeild, Lieutenant-Governor.
The Honourable John Gardiner Austin, Colonial Secretary.
The Honourable Julian Pauncefote, Attorney-General.
The Honourable Cecil C. Smith, Registrar General.

* * * * * *

His Excellency lays on the table the tenders (35 in number) for the gaming house licenses, to be issued on the 1st of February, 1871, which had been received by the Honourable the Registrar-General, pursuant to Government notification, of the

23rd of November, 1870; and the Council proceeds to an examination of the same, guiding themselves by the notes of the Registrar-General, given in his translation of the tenders submitted.

It appearing from such notes that several of the tenders sent in, emanated from the same parties, though bearing different names, with the evident object on the part of those so acting to gain additional chances at the drawing, and thus preventing a proper appropriation of the licenses; it is resolved, that the other method for issuing the licenses, directed by His Grace the Duke of Buckingham and Chandos in his Despatch of 2nd December, 1868, be adopted, as being better calculated to carry out the instructions of the Secretary of State, and that a public auction of the licenses be held on Thursday, the 12th instant, at 2 P.M., subject to the following conditions:—

1. No person to bid unless he shall, prior to the time of sale, have deposited in the Colonial Treasury the sum of 10,000 dollars, as a pledge of the *bona fides* of his offer. The bid of every person who shall have failed to make such deposit shall be deemed void. The deposit will be returned on demand to the owner thereof, in case he should not be the successful bidder.

2. None but Chinese, and no person in the employ of the Government, or holding any contract with any department of the public service, shall be qualified to bid.

3. The upset price is fixed at 13,300 dollars per month, and no advance of less than 100 dollars at a time shall be received.

4. The highest bidder above the said price of 13,300 dollars per month, shall be entitled to the grant of the licenses, and shall hold the same, subject to the regulations of the Governor in Council in force for the time being. His deposit will be retained on account of payments under the license.

5. In case the highest bidder shall have failed to deposit the sum of 10,000 dollars in the Treasury before the auction, in pursuance of the first condition, or shall be otherwise disqualified to bid, or in case any dispute shall arise between two or more bidders, so often as the same shall happen, the bidding shall be re-opened, and shall continue until the highest qualified bidder shall be ascertained.

6. The person declared to be the successful bidder shall be bound to open the licensed houses in the localities mentioned in the rules and regulations of the Governor in Council, and in conformity with the said rules and regulations, on the 1st

February, 1871. In default whereof his deposit of 10,000 dollars shall be forfeited to the Crown, and his license may be cancelled.

(True extract.)
L. D'ALMADA E CASTRO,
Clerk of Councils.

No. 7.

Copy of a Despatch from the Earl of Kimberley to the Officer Administering the Government.

DOWNING STREET, *March* 17, 1871.

Sir,—I have to acknowledge the receipt of your Despatch dated the 24th January last, inclosing a letter from the Government auctioneer, in which he reports that the gaming house licenses have been sold by auction to one 'Ho-a-Sik,' at the rate of 15,800 dollars per month.

It would have been better if your Government had retained a power to reject persons of doubtful character in the event of their being successful in obtaining the concession of these licenses. Such a power should be reserved, if the disposal of the licenses by auction is again resorted to hereafter.

I have, &c.,
(Signed) KIMBERLEY.

No. 8.

Copy of a Despatch from the Officer Administering the Government to the Earl of Kimberley.

GOVERNMENT HOUSE, HONG KONG, *February* 6, 1871.

My Lord,—I have the honour to inclose herewith, for the consideration of your Lordship, a memorial which has been forwarded to me for transmission by the Chamber of Commerce, praying that instructions may be issued to the Governor of this Colony prohibiting the further issue of gambling licenses.

The Attorney-General has it in contemplation, I understand to offer a few remarks in reference to that portion of the memorial in which it is alleged that the gambling system has

encouraged dishonesty amongst native employés, but as the returns upon which his opinion will be based are as yet incomplete, I am unable to place his view before your Lordship by this opportunity.

I have, &c.,
(Signed) H. W. WHITFEILD,
Major-General and Lieutenant-Governor.

Inclosure in No. 8.

To the Right Honourable the Earl of Kimberley, Her Majesty's Principal Secretary of State for the Colonies.

The humble Memorial of the undersigned Members of the Hong Kong General Chamber of Commerce.

Humbly showeth,—That an advertisement having appeared in the Government Gazette of this Colony, calling for tenders for a renewal of the license for the privilege of keeping licensed gaming houses, your memorialists beg most respectfully to address your Lordship on the subject.

At a general meeting of the members of this Chamber, held on the 3rd April, 1868, a resolution was put and carried by a large majority to the following effect:—'That it is the opinion of this Chamber that licensed gambling is affecting the Colony injuriously by encouraging dishonesty amongst a large portion of the native population engaged in business, and amongst the native employés of foreign firms.' Since the above resolution was passed, the opinion of your memorialists, then expressed, has been strengthened by the experience of the past three years, numerous instances having occurred amongst servants of foreigners, where they have been guilty of dishonesty, the origin of which was clearly traceable to the temptation held out by the gaming houses licensed by Government.

The advocates of licensed gambling endeavour to make out that it has been the means of decreasing crime in this Colony, but this your memorialists respectfully urge is not proven; in their opinion the decrease in crime is attributable to other causes, such as improved legislation, alterations in modes of punishment adopted towards criminals, &c., and that none of the decrease in crime is attributable to the licensing of gambling. Moreover, your memorialists are of opinion that were the system abandoned, a still further decrease of crime in the Colony would be observable. Statements have also been put

forward as arguments in favour of the system, that it is impossible to eradicate gambling entirely from among the lower class of Chinese. Your memorialists, while admitting that it is impossible to at once eradicate and suppress the vice, submit most respectfully to your Lordship that there is a large police force in this Colony, more numerous, perhaps, than in any colony of the same size under the British Crown, and that by the adoption of vigorous measures, it is quite competent for this force at once to repress the vice of gambling to such an extent that it could only be carried on in secret haunts, which would be resorted to by none but the dregs of the population, respectable Chinese being afraid to venture into such places, and that with continued energy on the part of the police, even these secret haunts would one by one be broken up, so that in course of time gambling would be entirely suppressed.

In view of the above reasons, your memorialists humbly beg that your Lordship will issue instructions to the Governor of this Colony to discontinue the licensing system.

And your memorialists will ever pray.

(Signed) P. RYRIE, Chairman.
A. LIMENEEN, Vice-Chairman.
(And 40 other signatures.)

Hong Kong, 10th Jan. 1871. A. NOEL BLAKEMAN, Secretary.

No. 9.

Copy of a Despatch from the Officer Administering the Government to the Earl of Kimberley.

GOVERNMENT HOUSE, HONG KONG, *February* 21, 1871.

My Lord,—I have the honour to inclose, for the consideration of your Lordship, the copy of a letter addressed to the Colonial Secretary by the Rev. Mr. Legge and Mr. Welsh, in which they request that the petition which accompanied it might be forwarded to your Lordship.

I have only to observe, on the latter document, that it urges the entire abolition of the existing system of licensed gaming houses, and that it is numerously signed by all grades of society in Hong Kong.

I have, &c.,
(Signed) H. W. WHITFEILD,
Major-General and Lieutenant-Governor.

Inclosure 1 in No. 9.

The Honourable J. Gardiner Austin, Esq., Colonial Secretary.

HONG KONG, *February* 20, 1871.

Sir,—Having been the promoters, in the first instance, of the accompanying petition to Earl Kimberley, the Secretary of State for the Colonies, praying for the entire abolition of the existing system of gaming houses, we beg now to forward it to you, and to ask that his Excellency, the acting Governor, will be pleased to transmit it, by the outgoing mail, to the Colonial Office.

The number of signatures amounts to over 300, which we consider a large amount for this Colony. They embrace the names of the heads of all the mercantile houses, with only two or three exceptions; and, indeed, every class of the community has been prompt to signify its approbation of the object of the petition.

We have, &c.,
(Signed) JAMES LEGGE.
DAVID WELSH.

(True Copy.)
(Signed) J. GARDINER AUSTIN,
Colonial Secretary.

Inclosure 2 in No. 9.

To the Right Honourable the Lord Kimberley, Secretary of State for the Colonies.

VICTORIA, HONG KONG, *January* 4, 1871.

May it please your Lordship,—We, the undersigned, beg to express to your Lordship our regret at seeing in the Government Gazette of this Colony a call for tenders for gaming house licenses for another year.

We do not wish to go at length into a controversial statement of our views as to the impolicy of the system of licensed gaming houses in this Colony, but we beg to say that the repugnance which many of us felt towards it, when it was first proposed, has only been strengthened by the three years' experience which we have had of its effects.

During the past year, his Lordship, the Chief Justice, repeatedly expressed his condemnation of the system in emphatic

terms, when cases arising from it were brought before him, and the senior police magistrate has also often given expression to opinions of a similar nature.

A recent case which came before the public was that of a Japanese who had accompanied his master from Japan to this Colony. He was tried before his Lordship, the Chief Justice, on the 23rd November, when his master testified that he had previously borne a good character, and had never to his knowledge been guilty of an act of dishonesty. Here, however, the temptation of the licensed gaming houses was too strong for him. To afford him the means of entering them he was guilty of theft and imposition, and the result was a sentence of three years' imprisonment with hard labour. We regret to say that similar instances are by no means rare.

We know that as a consequence of the gaming houses, an element of mutual suspicion has become widely diffused among the Chinese, which interferes with the prosperity of the Colony; and that by the great majority of them, as well as by ourselves, the discontinuance of the system would be hailed with satisfaction.

We beg to call your Lordship's attention to the fact, that the revenue derived from the gaming house licenses amounts to about 160,000 dollars per annum, and that of this sum upwards of 100,000 dollars are every year accumulating under the care of the Colonial Office, for what object and with what ulterior intention we do not know. This fact, from its mysteriousness, increases our astonishment that a system so contrary to the laws of Great Britain, and to the feelings of the British people, and which affects so unfavourably our prestige in the East, should be allowed to continue here.

Whatever be the gambling propensities of the Chinese population, we believe that the laws of Great Britain are quite sufficient to cope with them, if vigorously, and with a prudent management of the police force, brought into operation in this Colony.

In view of all these considerations we would earnestly entreat your Lordship to instruct the Governor of this Colony entirely to abolish the existing system of licensed gaming houses.

We are, &c.,
(Signed) F. HOCKMEYER,
and by 315 others.

No. 10.

Copy of a Despatch from the Officer Administering the Government to the Earl of Kimberley.

GOVERNMENT HOUSE, HONG KONG, *March* 6, 1871.

My Lord,—I have the honour to transmit for the consideration of your Lordship an address, which has been laid before me by the Registrar-General, on behalf of the Chinese community, in which they petition for the suppression of licensed gaming houses.

I beg to draw your Lordship's attention to the concluding portion of Mr. Smith's report, as attached to the memorial, in which he states that a petition, on any subject from the Chinese community, depends, as a rule, not on its intrinsic merits, but rather on the energy of its promoters, and that he does not consider the present one to be a fair expression of the opinion of the native community.

I have, &c.,
(Signed) H. W. WHITFEILD,
Major-General and Lieutenant-Governor.

Inclosure 1 in No 10.

Translation of a Memorial in Chinese.

The Chinese merchants and residents in Hong Kong humbly petition for the suppression of the present system of licensing gaming houses, inasmuch as great damage thereby accrues to the people.

The system of openly licensing gaming houses was at first expected to aid in the maintenance of good order in the colony, and it was not foreseen that its detrimental effects would exceed any benefits that might be derived from it.

After an experience of three years the evils of the system have become apparent, and lately, the losses suffered in the gaming houses, have culminated in trials for embezzlement, cheating, and robbery.

The cases are numberless where some have lost their business, some have wasted their patrimony, others again have sold their children, and others have destroyed themselves by eating opium. Numerous indeed are the evils which have occurred, and it is almost impossible to relate them all, but an examina-

tion of the records in the supreme court, and in the magistracy, will show the extent of them.

Two years ago his Excellency the Governor issued a proclamation forbidding foreigners, merely for this reason, to enter the gaming houses.

Now it can be always seen that the subjects of Great Britain are governed with humanity and justice, the laws being most impartial, and those of her dependencies, without distinction, are treated with similar benevolence.

How is it, then, that the Government in this matter (of gaming), knowing its evil effects, prohibits foreigners from ruining themselves, and only permits Chinese to engulf themselves in its dangers without any interference at all?

There have been of late Chinese, who, formerly of unblemished reputation, have suddenly given in to the enticing allurements of public gaming, and have wrecked their good character.

Such instances are numerous, so that people mistrust one another, and no confidence can exist between them, whereby tradal operations are impeded, and the poor are without homes.

Can the heart of Great Britain, so benevolent in its system of government, treating its people like children, bear to witness or hear of such things; or, again, can a rich country like England, whose policy is based on humanity, be willing to raise an immoral revenue to defray the expenses of the nation? On no account will this be so.

Assuredly, if such is the case, then to what use is to be put the sum of more than 100,000 dollars, collected from the gaming licences during the year? The Government only obtains a bad reputation without being compensated by any real advantages.

When the gaming houses were first opened your petitioners were anxious about the evils that would be created, and the damage that would be wrought on the people. Now that their fears have been verified, it only remains for them to petition, with great sincerity, that your Excellency will memorialise the Throne, with a view to early receiving the Imperial commands to suppress the licensed gaming houses, that thus confidence and integrity may once more be re-established among the people, and that their characters and reputations be preserved, until the prosperity of business be again in the ascendancy, and the condition of the poor be improved. Then they will be grateful for so large a measure of kindness, &c., &c.

[Signed with 947 seals and signatures.]

To his Excellency the Lieutenant-Governor.

Inclosure 2 in No. 10.

Memorandum.

This petition, requesting his Excellency the Lieutenant-Governor to apply to the Home Government for leave to close the gaming houses, licensed for Asiatics, is more numerously signed or sealed than any other document which has emanated from the Chinese community since my tenure of office. Without comment, however, the fact of such a petition being so numerously signed would entirely mislead those into whose hands it is intended to pass.

It is not necessary for me here to express any opinion on the subject of the petition, but I may mention that as far as I can learn there is no general objection among the Chinese community to the system of licensing gaming houses; indeed, on the contrary, leading and substantial men, who are not in any way interested in the licences, are in some cases in favour of, and in other cases not averse to, the action of the Government in this matter.

This petition can only be considered as another effort on the part of the missionaries in Hong Kong to put down what is so utterly distasteful to them, as shown in their memorial of 1869. Instead, as then, of presenting a further memorial from themselves on the same subject, the Chinese community has been canvassed by a native preacher of the London Missionary Society, who, on his part and that of his coadjutors, has spared no pains in collecting signatures to their petition. But in order to swell the number of seals or signatures, they have exceeded the bounds of propriety, and have apparently unhesitatingly accepted support from those least qualified to have any weight in the consideration of so important a question. This will be evident when I add that many of the signatures and seals are those of Chinese who have applied to Government for the privilege of holding the licences. Others, again, are those of notorious gamblers, whose winnings and losses in the Chinese club-houses elsewhere are well known to the community; and, again, there are many others who are now participating in the lotteries carried on by the licensees.

Early in the list of signatures, too, is to be noticed the name of a Chinese who was dismissed from the Government service, and whose reputation in the Colony should diminish the value of a document bearing his name.

It is important, however, to notice that there are a number of names of men and firms whose support of this address is deserving of great consideration at the hands of the Executive; but having regard for what I have reported, and the fact that a petition on any subject from the Chinese community depends, as a rule, not on its intrinsic merits, but rather on the energy of its promoters, I am of opinion that this petition cannot be properly held to be a fair expression of the opinion of the native community.

(Signed) CECIL C. SMITH,
Registrar-General.

February 27, 1871.

No. 11.

Extract from a Despatch from the Officer Administering the Government to the Earl of Kimberley, dated Government House, Hong Kong, March 6, 1871.

'I have the honour to transmit for the consideration of your Lordships copies of two written statements, which were forwarded to me by the Chief Justice, for record on the Minutes of Council, as provided for by Article 8 of Her Majesty's Instructions, the one having reference to a Draft Ordinance which he had submitted for the more effectual suppression of gaming, and the other to that inquiry into the state and constitution of the police force which he conceived to be necessary.'

* * * *

Inclosure in No. 11.

To His Excellency Major-General Whitfeild, Lieutenant-Governor, &c., &c., &c.

I deemed, and am of opinion, than an ordinance, of which I, under cover of a letter on August 8, 1870, sent a draft to the Honourable the Colonial Secretary, intituled 'An Ordinance enacted by the Governor of Hong Kong, with the advice of the Legislative Council thereof, to make provision for the more effectual Suppression of Gaming,' is a law fit to be enacted by the Legislative Council, and that it ought to be proposed for a first reading at the Legislative Council to be held on November 11, 1870.

I have in my said letter of the 8th, and in another letter

of the 15th August last, both addressed to the Colonial Secretary, set forth at large some of the reasons upon which my opinion is founded.

Among my reasons for this Ordinance, are, shortly, the following:—

That keeping a gaming house being by English law criminal, it is at least very questionable whether the Ordinance of No. , of 18 , authorises the Governor to license some houses for gaming, and that it is contrary to law to create a monopoly even in fair trade, much less in crime, without an express and clear enactment, and that, therefore, such licensing should be discontinued.

That the sole object of issuing the licences was to decrease gambling, whereas it has very greatly increased that vice.

That it has caused and fostered very serious crimes, and that suicides have been traced to it.

That the gambling houses have been too numerous: fifteen in Hong Kong; at the worst times at Paris there were only eight, and in the few places in Germany in which gambling is allowed, one only usually exists.

That, as I have fully expressed in my letter to you of the 8th August last, I deduce from the figures contained in official returns by his Excellency the Governor, that over 5,000,000 dollars were in two years only *won* by gamblers before the licensees were recouped the amount paid by them for their licences, that at least an equal sum was won from them, making the total over 10,000,000 dollars, and that it is to be presumed that the gambling licensees gained as much as they paid the Government, in order to cover their expenses, and to pay them a profit for their disreputable trade. The amount must therefore be doubled, and over 20,000,000 dollars have, it would seem, been lost and won across the gaming tables of Hong Kong within the first two years of the licensing system. From like data, if the tables are open for seven days in the week, I calculate that Asiatics have made over 10,000,000 of visits to these houses within two years. There may be errors in these calculations, but, under any calculation, a mass of gambling is represented unequalled according to population anywhere, destructive to the honest labours of the gamblers, and withdrawing from time to time these large amounts from legitimate trade and commerce, and thus tending to impoverish and destroy trade in Hong Kong, as all admit like practices have impoverished and destroyed trade in Macao.

That, from my experience on the bench, I infer that a tone of dishonesty has been engendered by gaming houses in petty tradesmen, as well as the lowest class, and that this tone has infused itself into and demoralised the police.

That gambling is a crime in China, as well as in England, and that the actual licensing of it being a crime lowers the prestige of the English Government and name, more especially seeing that it was actually put down by a good governor lately in Canton province.

That the due suppression, if not eradication, of gaming has been successfully effected in the Straits Settlements, as I was informed by a police magistrate and superintendent of police there, and that like care can, without the licensing system, keep it under here. That the licensing system introduced avowedly as in itself an evil, but a lesser evil than the evils then existing, has not reduced those evils, whilst it has itself been an enormous evil; that as an experiment it has failed, and ought to be suppressed, which the Ordinance proposes to do.

That gaming in England has been effectually dealt with by stringent statutes, four in number, not one of which has been made law here. The proposed Ordinance proposes mainly to embody these statutes, making them law here.

(Signed) JOHN SMALE, *Chief Justice.*

February 10, 1871.

EXERCISE IV.

Correspondence between the Agent-General for Queensland, the Emigration Commissioners, and the Colonial Office, on the Subject of Emigration to that Colony.

No. 1.

John Douglas, Esq., to Her Majesty's Emigration Commissioners.

QUEENSLAND GOVERNMENT OFFICES, 32 CHARING CROSS, LONDON, *November* 10, 1870.

Gentlemen,—Your Report of June last addressed to Earl Granville, then Her Majesty's Secretary of State for the Colonies, contains the following paragraph :—

'As regards the Australian Colonies, the state of the case is as follows :—In New South Wales no money has been voted towards immigration since January 1867, and a Bill for the promotion of immigration introduced by the Government in October last was lost without a division on the second reading. In Queensland an Act recently passed reduces the inducement to the introduction of immigrants by discontinuing the issue of land orders to shippers who provide them with passages. In Victoria scarcely any but female domestic servants, and persons whose friends in the Colony pay for passage warrants, obtain passages. In South Australia the funds set apart by law for emigration, which in June 1868 amounted to 360,000*l*., and cannot now be less than half a million, have in great measure been appropriated to another service, and Bills have been three times passed by the Assembly, but rejected by the Council, to make that appropriation final. In New Zealand, the province of Canterbury offers free passages to female servants, and assisted passages to some classes of labourers ; and in Hawkes Bay settlers can secure assisted passages for their friends on guaranteeing repayment of the expense within two years. In

the other provinces no assistance is given. It can hardly be said under these circumstances that the Australian Colonies show any desire for general immigration, or would be likely to co-operate with the Home Government in paying the expense of passages, even if the Home Government felt justified in contributing a portion of that expense out of the Imperial Treasury.'

This paragraph was copied into 'The Times' of October 19. It was doubtless read by a large number of people, to whom 'The Times' is the chief source of information on such matters, and the statement being made on the authority of Her Majesty's Commissioners for Emigration, it was doubtless received as a correct representation of facts.

My correspondence lately bears witness to the credit which usually attaches to the statements made by the Commissioners, and has rendered it necessary for me, in several instances, to correct an erroneous impression which has, I find, been conveyed by the paragraph in question to some of those who are interested in emigration to Queensland.

The bare statement that 'in Queensland an Act recently passed reduces the inducement to the introduction of immigrants by discontinuing the issue of land orders to shippers who provide them with passages' is, it seems to me, an insufficient representation of what the Colony of Queensland is now doing for emigration in the United Kingdom; and the inference which I think may fairly be drawn from that statement, made as it is in a summary of what the Australian Colonies are said to be now doing, is so unfavourable, that to any one not acquainted with the real facts it would almost amount to an assertion that the land-order system had been abolished, whereas the amount of land for which each order is available has been increased from 30 acres to 40 acres.[1]

I shall not presume to question the strict accuracy of the statements made by the Commissioners in reference to the position of the immigration question in the other Australian Colonies.

From the information I possess at the present time, I should feel disposed to arrive at conclusions differing somewhat from those of Her Majesty's Commissioners, and I cannot help feeling some regret that this statement, made under the high authority

[1] The land order granted under the Act, No. 17, of 1864, sec. 6, was not for 30 acres, but was to be of the value of 30*l.* sterling for each person of 12 years and upwards, and of the value of 15*l.* sterling for each child between the ages of 1 and 12 years.—T. W. C. M.

of Her Majesty's Commissioners, should have thus conveyed to people in this country the state of this question as regards Australian Colonies. Those communities have spent not far short of six millions on the transfer of a European population to their shores, and though money votes for this purpose have, I regret to say, much decreased, the appropriations in several Colonies are still in excess of those which are made in America, where everything is on a far grander scale.

I am therefore not willing to believe that Her Majesty's Commissioners are desirous to propagate a feeling which is calculated to discourage emigration to Australia and New Zealand.

The fact that some of the Colonies have appointed their own agents in the United Kingdom, though perhaps calculated to diminish the control which was previously exercised under the admirable arrangements of the Commissioners, has not lessened the moral or sanitary precautions under which the emigration to those Colonies has been conducted; and I observe with some surprise that Her Majesty's Commissioners have considered it to be their duty to make such representations to Her Majesty's Secretary of State for the Colonies as appear to have a tendency towards justifying Her Majesty's Government in withholding their co-operation from a policy which was at one time nobly supported by the Australian Colonies, and which may yet, it seems to me, be made to prove an incomparable blessing to many thousands of Her Majesty's subjects in this kingdom.

I have, &c.

(Signed) JOHN DOUGLAS.

Her Majesty's Emigration Commissioners.

No. 2.

S. Walcott, Esq., to John Douglas, Esq.

GOVERNMENT EMIGRATION BOARD, *November* 16, 1870.

Sir,—I have to acknowledge your letter of 10th instant, on the subject of the statement in the Commissioners' General Report of 25th June last, that 'in Queensland an Act recently passed reduces the inducement of the introduction of immigrants by discontinuing the issue of land orders to shippers who provide them with passages.' You do not deny the correctness of this statement, but you complain that it is calculated to convey

an erroneous impression as to what the Colony is doing for the promotion of immigration.

In reply, I am to point out that the above passage was avowedly intended to correct a misapprehension which prevailed extensively in this country that the demand for labour in the British Colonies is such that the Colonies 'would not only be willing to accept any number of emigrants that could be sent out without a very critical inquiry as to their antecedents, but would even co-operate with the Home Government in supplying funds towards the expense of passage.' It was a conclusive answer to this misapprehension that the Australian Colonies, including Queensland, had of late years restricted instead of enlarged the facilities for immigration, and as the Commissioners have been informed by one of the principal firms engaged in emigration to Queensland that formerly a large number of emigrants were carried out by them on the land-order system, there can be no doubt that the discontinuance of that system had the effect of restricting the immigration. The alteration of the land order from 30 to 40 acres is, I am to point out, merely nominal, the price of agricultural land being 15*s.* an acre.

If, however, the Commissioners could have had any doubt of the correctness of their view that the demand for immigrants in Queensland, and therefore the encouragement held out to their introduction, is less than it was some years ago, it would be set at rest by subsequent Despatches from the Governor, written in answer to specific inquiries from the Secretary of State on the subject. From these Despatches it is to be gathered that, with the exception of female domestic servants, the demand for unskilled labour in Queensland is at present limited, and that the class most wanted is that of men with some capital, capable of cultivating their own land, and likely to be employers of labour rather than labourers. The Commissioners under these circumstances are not prepared to admit that the impression which you say has been produced by the passage in their report to which you refer is inconsistent with the facts.

I am, however, to point out to you that at pp. 37–38 of that report there is an abstract of the Queensland Immigration Act of 1869, which states fully the advantages at present offered to emigrants of the labouring class proceeding to that Colony.

I have, &c.

(Signed) S. WALCOTT.

John Douglas, Esq.

No. 3.

John Douglas, Esq., to Her Majesty's Emigration Commissioners.

QUEENSLAND GOVERNMENT OFFICES, 32 CHARING CROSS, LONDON, *November* 21, 1870.

Gentlemen,—I regret to learn by your letter of the 16th instant that Her Majesty's Emigration Commissioners avowedly inserted the paragraph in their report descriptive of the present position of the immigration question in Australia and New Zealand, in order to correct the misapprehension which appears to have existed to the effect that the Colonies 'would not only be willing to accept any number of emigrants that could be sent out without a very critical inquiry as to their antecedents, but would even co-operate with the Home Government in supplying funds towards the expense of passage.' Such a statement, if ever it was seriously made by any one acquainted with the Colonies, would of course at once be repudiated by the public sentiment of those communities, and I need scarcely assure you that, however desirous the Colony of Queensland may have been, and now is, to encourage an immigration calculated to prove beneficial to the immigrants themselves, nothing could be farther from the idea of those who have promoted legislation on this subject than to encourage the introduction of any number or any sort of people, such as that which has been described. Emigration to Australia when it was chiefly conducted by the Commissioners was certainly not governed by such principles. It scarcely, therefore, seemed necessary that the Commissioners should cite authorities to prove what has, I believe, never been disputed, and it further seemed still less necessary to refer to these authorities in such a manner as to lead to an impression that the present policy of the Colonies was calculated to withhold encouragement to emigration altogether. The Commissioners are doubtless aware that the principles of all Australian legislation of late years have been based upon the belief that it is desirable to encourage immigration by affording every facility for the acquisition and settlement of the crown lands, and it would be quite as erroneous to affirm of the United States of America that the people of that country are opposed to immigration, because they have enacted penal laws against the introduction of paupers, as it would be to affirm that the Colonies of Australia are opposed to immigration because they have preferred to follow the example of

America by adopting a policy which has been considered calculated to promote the settlement of the country.

But, apart from these observations on the general subject, I must still endeavour to correct the erroneous impressions of the Commissioners when they state that, 'in Queensland an Act recently passed reduces the inducement to the introduction of immigrants by discontinuing the issue of land orders to shippers who provide them with passages.'

By a comparison of the Queensland Immigration Act of 1864 with the Queensland Immigration Act of 1869, the Commissioners will find that the following statements are correct :—

The Act of 1864 authorises the issue of land orders to persons who pay their own passage from England to Queensland.

The Act of 1869 does the same.

Under the Act of 1864 the shippers have no power either to lessen or to increase the number of emigrants who may receive either free or assisted passages; so also under the Act of 1869.

Under the Act of 1864 no provision is made for granting land orders to either free or assisted passengers. Under the Act of 1869, the claim of such passengers to land orders is fully recognised.

Under the Act of 1864 the Government is authorised to issue land orders to the shippers in payment for its own emigrants, but the Agent-General has absolute control as to the number of those emigrants and as to their selection.

This emigration of free and assisted passengers was conducted altogether by the Queensland Government Emigration Office, and over it the shippers had no control either by way of inducement or otherwise.

Under the Act of 1869, payments in land orders for free and assisted passengers are not authorised, but the inducement to immigrants is not decreased but rather increased, and the payments which are made to the shippers are in money and not in land orders, a form much more acceptable to the shippers, inasmuch as the land orders were not always immediately negotiable.

The Commissioners will therefore perceive that they may have some doubts as to the correctness of their views in reference to the provisions of the Immigration Act of 1869 as compared with that of 1864, and though they appear to possess information from the Government of Queensland in reference to immigration which seems to justify their inferences, and which probably relates to that promiscuous sort of emigration which

the Commissioners very properly stigmatise as unacceptable to a young Colony, they will, I have no doubt, be interested to learn that whereas the immigration to Queensland in 1869 very considerably exceeded that in 1868, a like result will probably attend the administration of the new Act in 1870. And though in such a young community as that of Queensland the demand for unskilled labour must be very small as compared with the enormous supply in older countries, it is yet sufficiently great to induce some settlers to expend a considerable amount of money and to put themselves to great inconvenience, accompanied by some risk, in order to obtain a rather unwieldy and uneducated form of unskilled labour from among the native inhabitants of the islands of the Pacific.

I trust, therefore, that for many years to come the Colony of Queensland may continue to receive supplies adequate to the demand from those country districts in the United Kingdom where the supply of labour is still in excess of the demand.

I have, &c.,
(Signed) J. DOUGLAS.

Her Majesty's Emigration Commissioners.

No. 4.

R. B. Cooper, Esq., to John Douglas, Esq.

GOVERNMENT EMIGRATION BOARD, *November* 25, 1870.

Sir,—I am directed by the Emigration Commissioners to acknowledge your letter of 21st inst., contrasting the provisions of the Queensland Immigration Acts of 1864 and 1869, in order to show that the statement in the Commissioners' General Report for the present year that the Act of 1869 had restricted the previous facilities for immigration is inaccurate.

You state, with reference to the payment of shippers by land orders under the Act of 1864, that the emigration was conducted by the emigration agent exclusively, and that the shippers had no control over the numbers taken out. Just so: but the power to grant entirely free passages and to pay the shippers by land orders made it much easier for the agent to procure emigrants, and as a matter of fact, Mr. Jordan did send out many more than have been sent out since his recall. At present, with the exception of female domestic servants, the agent can only send out those who are prepared either in person or through

friends in the Colony to undertake to repay the cost of their passages, and as the Commissioners presume that some proof is required of a reasonable probability that the emigrant will fulfil this undertaking, it is clear that the selection of emigrants must be more restricted than when no inquiry was necessary on the point.

In respect to the admission under the Act of 1869 of the claim of free or assisted passengers to land orders, it is only necessary to point out that their claim does not accrue till they have paid the cost of their passages. This privilege can scarcely be expected to have the same effect in stimulating emigration as free passages paid for by land orders.

After fully considering the subject, the Commissioners desire me to say that they can see no ground to consider the statement in their general Report either incorrect or misleading, nor any reason to doubt that the Legislature of Queensland, in passing the Act of 1869, intended to put a restriction on the number and description of emigrants to be introduced, which in previous years had been matter of complaint, both from the settlers in Queensland and in the adjoining Colony of New South Wales.

I have, &c.,

(Signed) R. B. COOPER.

J. Douglas, Esq.

No. 5.

John Douglas, Esq., to Her Majesty's Emigration Commissioners.

QUEENSLAND GOVERNMENT OFFICES, 32 CHARING CROSS, LONDON, *November* 29, 1870.

Gentlemen,—In acknowledging your letter of the 25th instant, I would now beg briefly to remark that I was led to address the Commissioners, not merely by a desire to correct what might have been an unintentional inaccuracy on their part, which if confined to their Report might have escaped the notice of the general public, but in consequence of letters received by me, requesting me to inform the writers of them whether, as stated by the Commissioners in a paragraph published in 'The Times,' the Queensland land-order system had been abolished.

There can be no doubt that an opinion to that effect had been arrived at by those who addressed me on this subject, and whatever meaning the Commissioners may attach to their

words, they had the effect I have described on the persons to whom I refer.

I was led to contrast the Immigration Act of 1869 with the Immigration Act of 1864, in order to prove to the Commissioners that the land-order system was still in full force, and that the supply of free and assisted passengers was not governed by any inducement which shippers could hold out to them. The number and the description of such immigrants were and are now regulated entirely by the agent-general acting under the instructions of the Executive, and I felt bound therefore to offer proof to the Commissioners which left no doubt on my mind that the very brief and unqualified statement that 'in Queensland an Act recently passed reduces the inducement to the introduction of immigrants by discontinuing the issue of land orders to shippers who provide them with passages,' was both inaccurate and misleading.

I shall not now follow the Commissioners into the new issues raised by them which refer to matters relating to the past administration of Queensland immigration, but I shall venture to express an opinion that the Emigration Commissioners, while faithfully executing their high trust to Her Majesty's Government, may find that it is not inconsistent with their duty to do full justice to the efforts which are made by the Australian Colonies to attract a suitable class of immigrants to their shores. There is still in this country a large number of persons in excess of the demand for labour in the country districts. The process by which that supply in excess of the demand is now drafted into the large cities, tends to feed the existing pauperism, and must prove to be a source of anxiety to the Government.

Yet the class of persons to whom I refer may still be obtained before they have acquired the habits prevalent in large cities, and they are the very persons who would be welcomed as colonists in Australia.

In most instances, however, these persons, about whose success in a new country there could be little doubt, have not sufficient means to enable them to undertake the voyage at their own cost.

It remains to be seen whether it is possible to arrive at a recognition of the principles which govern the relative processes both of emigration from the United Kingdom and of immigration to the British Colonies in the Pacific, in such a way as to solve the difficulties on both sides, and to confer a benefit which may prove reciprocal.

Her Majesty's Emigration Commissioners may still, I hope, avail themselves of the valuable sources of information at their command in such a manner as to contribute to such a result.

I have, &c.,

(Signed) JOHN DOUGLAS.

Her Majesty's Emigration Commissioners.

No. 6.

John Douglas, Esq., to the Earl of Kimberley.

QUEENSLAND GOVERNMENT OFFICES, 32 CHARING CROSS, *March* 28, 1871.

My Lord,—A parliamentary paper has lately been published, containing a report from Sir Clinton Murdoch to Sir Frederic Rogers on the subject of emigration.

That report is based upon Despatches received from the Governors of certain Colonies in reply to a Circular Despatch, of the 14th of February 1870, from Earl Granville, in reference to the subject of emigration as a relief to destitution. At the time mentioned and in connexion with this subject, which was then attracting considerable attention, the agents for the Australian Colonies who were then in London were invited to meet Mr. Goschen at Whitehall, and in reply to his very frank inquiries on the subject of emigration in connection with the administration of the Poor Law Board, they unanimously advised him that, so far as they were then instructed or could pretend to represent Australian opinion, the agency of the Poor Law Board in such a matter would be looked upon with much disfavour and with even some repugnance. It was added that if Her Majesty's Government considered it to be consistent with their policy to co-operate with any of the Colonies in carrying out a system of emigration calculated to prove a benefit to the emigrants themselves, and based upon a conception of its scope differing from that entertained by those who viewed it simply as a relief to persons who had been reduced to destitution, it would probably be found quite possible to secure the hearty good-will of some, if not the whole of the Australian Colonies.

I presume that the Circular Despatch addressed by Earl Granville has reference to the same sort of inquiries as those made by Mr. Goschen, and if the report in question is held merely to refer to that branch of the subject, I can state very confidently

as far as the Colony of Queensland is concerned, that it conveys no incorrect impression of the prevailing feeling.

I fear, however, that Sir Clinton Murdoch's Report will be accepted in this country not only as an exposure of the fallacy that emigration can be conducted as a relief for the destitute, but that it will also be received as a faithful account of the facilities which are offered to emigrants, and of the demand there is for those people who are in any way suited for the active life of such a Colony as that of Queensland.

The statement, for instance, 'that the supply of labour has for some years exceeded the demand' may be considered as no unjustifiable argument by anyone who holds an opinion that the supply of European labour is always in excess of any primary necessity for any other settlement of the Crown lands than that of pastoral occupation.

But when Her Majesty's Commissioners for Emigration appear to adopt such an opinion, and make it the groundwork of their statements to that large number of Her Majesty's subjects who year by year pass from the shores of England to become citizens of the United States of America, I trust that your Lordship will consider that I am not wanting in respect to Her Majesty's Government, or in duty to the Colony which I represent, when I take the liberty of offering to you some proof which appears to me to be at variance with the inferences which an impartial reader would draw from those paragraphs in Sir Clinton Murdoch's Report which refer to Queensland emigration.

In support, therefore, of a counter-statement that the supply of labour does not exceed the demand, I beg to submit to your Lordship a return of the emigrants despatched from the United Kingdom under my direction during the year 1870.

You will gather from that return that during the past year a very appreciable increase has thus been made to the population of a territory of almost unexampled magnitude and of great natural capacity, which is at present inhabited by a mere handful of European settlers, and I may observe that these emigrants have been drawn from all classes of society, from those who are said to compose the higher as well as from those who are termed the lower classes. Yet all of these men and women have been moved to seek their fortune in a distant though not foreign land, under circumstances which have led them to believe that they may find greater happiness and comfort there than they can attain in this the country of their birth, where competition

is so keen, where the strain of life is so severe, and where the reward of labour seems to them to be uncertain. So far indeed from receiving any official intimation that the supply of labour is now and has of late been in excess of the demand, I am informed, in a Report received by the last Australian mail from the immigration agent in Brisbane, that there was an active demand for the last arrivals, and that many more of those who were willing to enter service could have found employment.

In addition to those emigrants who proceeded from ports in the United Kingdom, 898 Germans, Danes, and Swedes have been despatched from Hamburg, and your Lordship is also aware that a number of the male native inhabitants of the Polynesian Archipelago have been deported to Queensland during the last few years. These islanders have been introduced for use not only on the sugar lands of the coast, but they have also in some instances been taken to the distant sheep stations of the interior, where the normal price of European labour has averaged from 20*s.* to 25*s.* per week, with rations and such sufficient habitations as the custom of the country justifies.

I may add that the outlay to the Government of Queensland on emigration during the past year has not much exceeded 37,000*l.*, of which it is hoped that a large proportion will be refunded. This expenditure is considerable, but it bears no comparison with the value of the vital energy which has thereby been imparted to industrial pursuits, and though the system is unquestionably artificial it is not the less beneficial, when it is administered with due regard to those exigencies of Australian emigration which have been ascertained by experience.

I trust that I have not exceeded my duty in thus calling your Lordship's attention to some considerations which appear to me to be at variance with statements made in the paragraphs in Sir Clinton Murdoch's report referring to Queensland emigration.

I have already been engaged in correspondence with the Emigration Commissioners in reference to a paragraph in their last year's report, and I venture to inclose a copy of that correspondence,[1] which will serve still further to illustrate the subject.

I have, &c.,
(Signed) J. DOUGLAS,
Agent-General for Queensland.

The Earl of Kimberley
&c. &c. &c.

[1] The correspondence inclosed is that which is given in this Paper

Inclosure in No. 6.

1870.

Passengers of all Descriptions, who have proceeded direct from the United Kingdom, including those in 'short ships.'

	Full Payers	Assisted	Free	Remittance	Total
Adults . .	486	696	717	168	2,067
Children, 1 to 12	108	187	46	29	370
Infants . .	16	37	33	4	90
Total souls .	610	920	796	201	2,527

Occupations of Assisted, Free, and Remittance Passengers, not including Married Females.

ic	nt			inte	tche	Shoemakers	Others
93	32	13	13			3	24

No. 7.

Sir Clinton Murdoch, K.C.M.G., to Sir Frederic Rogers, Bart., K.C.M.G.

EMIGRATION BOARD, *April* 21, 1871.

Sir,—I have to acknowledge your letter of yesterday's date with one from Mr. Douglas the Agent-General for Queensland, impugning the correctness of the statements made in my Report of 5th August last, so far as relates to the demand for immigrants in Queensland.

2. In reply I would beg to point out that the statements in my Report were in fact no more, and professed to be no more, than an abstract of the statements in the Governor's Despatch of May 13, 1870. The statement to which Mr. Douglas principally

objects, that for some years past the immigration into Queensland 'had been rather in excess of the demand for labour,' was taken verbatim from the Governor's Despatch. Whether that statement was incorrect, as Mr. Douglas assumes, or the contrary, it is the Governor who is responsible for it; but it is difficult to believe that on a question so vitally affecting the progress of the Colony he should have made such a statement without satisfying himself of its correctness. I may also point out, as stated in the Report, that even the Immigration Agent only calculated the number of free and indentured immigrants that the Colony could absorb at 2,000 a year, to be reduced in the same proportion as the number of 'assisted and full-paying passengers' exceeded 4,000 a year. We had no information which would have justified us in questioning the correctness of the views expressed by the responsible authorities on the spot; nor would it, I think, have been reasonable to set the impressions of the Agent-General in this country, even if we had known them, against the deliberate opinion of the Governor in the Colony. The fact that 2,527 emigrants, of whom only 796 received free passages, have been absorbed in the Colony in the course of the year, can scarcely be accepted as disproving the correctness of the Governor's and Immigration Agent's opinions. Among the 'free' passengers are included, I presume, the 515 described as domestic servants, for whom there is, as the Governor states, a constant demand. Of those described as 'full payers' and 'remittance,' amounting together to 811, the majority would probably not come into the labour market. If so, the number added to the general labouring population of the Colony, exclusive of those despatched from Hamburg, would be inconsiderable.

3. The introduction of Polynesians is, I need scarcely observe, principally for the cultivation of sugar and other tropical produce in the northern districts of the colony, where European field labour is not available on account of the heat.

I have, &c.,
(Signed) T. W. C. MURDOCH.

Sir Frederic Rogers, Bart., K.C.M.G.,
&c. &c. &c.

NEW ZEALAND.

No. 8.

J. Vogel, Esq., to the Earl of Kimberley.

CHARING CROSS HOTEL, LONDON, *April* 3, 1871.

My Lord,—I have the honour to direct your Lordship's attention to the following extract from a Report addressed to Sir Frederic Rogers by Sir Clinton Murdoch. The Report is dated 'Emigration Board, August 5, 1870,' and was published in the London 'Times' of the 18th ult.:—

'From the other Australian colonies and New Zealand no answers have been received, but it may be taken for granted that neither Western Australia nor Tasmania is in a position to give any assistance towards immigration. Nor is there reason to expect any active assistance at present from New Zealand.'

Your Lordship will, I feel assured, recognise that this passage does an injustice, unintentionally no doubt, to New Zealand, which Colony, instead of being disinclined to encourage immigration, has given abundant evidence of a desire to encourage it.

Previous to the date of the Report of Sir Clinton Murdoch, an Act was passed by the Imperial Parliament authorising the Lords of the Treasury to give the Imperial guarantee to a loan of 1,000,000*l.*, to be raised by the Colony for the promotion of immigration and public works, and in addition, as your Lordship will be aware, the General Assembly of New Zealand during its last session passed measures, making extensive and systematic provisions for the same purposes.

I have, therefore, to ask that whenever the opportunity occurs your Lordship will cause to be made known that New Zealand is not disinclined to encourage immigration, but that, on the contrary, the Colony has initiated measures for at once carrying on both immigration and public works upon a comprehensive scale.

I have, &c.,
(Signed) JULIUS VOGEL.

The Earl of Kimberley,
&c. &c. &c.

No. 9.

Sir Clinton Murdoch, K.C.M.G., to Sir Frederic Rogers, Bart. K.C.M.G.

EMIGRATION BOARD, *April* 25, 1871.

Sir,—I have to acknowledge your letter of the 24th instant, inclosing a letter addressed to the Earl of Kimberley by Mr. Vogel, the agent for New Zealand, on the subject of the passage in my Report of 5th August last relating to emigration to that colony.

2. Mr. Vogel complains that in estimating in that report the assistance likely to be obtained from the several British Colonies towards the emigration of the unemployed labourers in this country I used the expression 'nor is there reason to expect any active assistance at present from New Zealand.' He observes that before the report was written an Act had been passed by Parliament to guarantee a loan to be raised by New Zealand for immigration and public works, and that the General Assembly during its last session passed measures making extensive provisions for the same purpose. He considers that the passage in my Report does an injustice to New Zealand, and he requests therefore that steps may be taken to make known that New Zealand is not disinclined to encourage immigration, but, on the contrary, has initiated measures for carrying on immigration and public works on an extensive scale.

3. Upon this I would venture to observe that the question raised by Earl Granville's circular of February 14, 1870, and referred to in my report of August 5, was not the general disposition of the Colonies to receive emigrants at ordinary times, but the extent and nature of the assistance to be obtained from them towards the relief by emigration of the then existing distress among the labouring classes of this country. It is no doubt true that on August 1, four days before the date of my Report, Parliament had passed an Act guaranteeing a loan of 1,000,000*l.* for the construction of communications and the introduction of settlers into New Zealand, but that Act required that before the guarantee should come into operation certain provisions should be made by the Legislature of New Zealand for raising, appropriating, and securing the loan and its sinking fund. It is also true that, in anticipation of that Act, the General Assembly of New Zealand, on 13th September last, passed an Act to meet the conditions which they supposed Par-

liament would attach to the guarantee. Whether that Act has done so sufficiently to allow the guarantee to come at once into force I do not know, but it is clear that I could not be expected to foresee this action on the part of the General Assembly, and that I was justified, therefore, in anticipating that some considerable delay might occur in raising the proposed loan. Be that as it may, the fact remains that at the present moment—nearly nine months after the date of my report—no loan has been raised under the guarantee, nor has any scheme of emigration been yet promulgated, as far as we know, by the Government of New Zealand or its agent in this country.

4. Under these circumstances, strictly limited as my remark was to the time at which it was written, I cannot think that I did injustice to New Zealand in saying that no active assistance towards emigration was at that time to be expected from her.

I have, &c.,
(Signed) T. W. C. MURDOCH.

Sir Frederic Rogers, Bart., K.C.M.G.,
&c. &c. &c.

EXERCISE V.

Correspondence respecting Hostilities in the River Plate

No. 1.

Mr. Thornton to Earl Russell.—(*Received September* 1.)

BUENOS AYRES, *July* 26, 1865.

My Lord,—I have nothing of importance to report to your Lordship with regard to the progress of the war between Brazil, the Argentine Republic, and that of the Uruguay, on the one side, and the Republic of Paraguay, on the other.

The Paraguayan army in and about the town of Corrientes seem to have made no move of consequence during the last fortnight; neither has the Brazilian squadron carried out any further aggressive hostilities, it seems to remain stationary a little above Bella Vista.

General Mitre is still at Concordia, and has ordered the Government of the Province of Entre Rios to cause its contingent to be re-assembled on the 1st instant, and it is proposed to incorporate it at once under different officers in the main army, so that there may be less danger of the recurrence of a defection similar to that which lately took place at Basualdo.

An expedition of 6,000 men, composed of nearly equal numbers of each of the three allies, has been placed under the command of General Flores, and sent to meet the Paraguayan force on the right bank of the Uruguay. It was found too dangerous to attempt to get steamers through the rapids at Salto, and the project of making some accompany the land force has therefore been abandoned. The Paraguayan force on the right bank of the Uruguay is said to be at Paso de los Libres, whilst that on the left bank is known to have crossed the River Ibicuy, and is supposed to be now near or at the town of Uruguayana.

It is hoped that the presence of the Emperor in Rio Grande will contribute towards the more rapid despatch of all the available troops in that province to the bank of the Uruguay, and the Argentine Government express a confident hope that

the Paraguayan forces on both sides of that river may be cut off. It is evident that unless they soon begin their retreat towards the Parana, there ought to be no difficulty in executing that manœuvre.

I have, &c.,
(Signed) EDWD. THORNTON.

No. 2.

Mr. Thornton to Earl Russell.—(*Received September* 18.)

BUENOS AYRES, *August* 11, 1865.

My Lord,—I have again no event of importance to report to your Lordship with reference to the war now being carried on by the allies against Paraguay.

The Paraguayan army, however, at Corrientes has again moved forward in two divisions, one of which is marching along the bank of the Parana, and has occupied the town of Bella Vista, and the other is directed more towards the interior of the province, and has taken possession of the village of Saladas. As yet there is no force in their neighbourhood sufficiently strong to offer any resistance to their progress.

General Mitre with his army is still stationary at Concordia, in Entre Rios, and General Urquiza seems to have made but little progress in re-assembling the forces of his province which were disbanded at Basualdo.

General Flores was by the last account of the 4th instant but a few miles distant from the Paraguayan division on the right bank of the Uruguay.

It was expected that he would be joined on the 7th instant by General Pannero with 4,000 men and by two other small detachments, so that the force under his orders would amount to at least 10,000 men, with which the Argentine Government are confident that he will be a match for the Paraguayan force now opposed to him.

On the other side of the Uruguay the Brazilian General Canavarro is said now to have 12,000 men at his disposal, and Señor. Elizalde assures me that the Paraguayans on the left bank do not exceed 9,000. His Excellency therefore thinks that in that quarter the chances are entirely in favour of the allies, and that we shall in two or three days more hear of a decisive battle having been fought. If it be true that the

number of the Paraguayans on both banks is not more than 12,000 or 13,000, there certainly ought to be no difficulty in defeating them, considering that they are completely cut off from all resource and support.

I have, &c.,
(Signed) EDWD. THORNTON.

No. 3.

Mr. Thornton to Earl Russell.—(Received October 1.)

BUENOS AYRES, *August* 21, 1865.

(Extract.)

On the 10th and 11th instant, a force of about 5,000 Paraguayans was occupied in placing in position a battery of fifty guns on a point on the left bank of the Parana commanding the river, and a little below the anchorage of the Brazilian squadron, which was lying about ten miles below Bella Vista. It is to be presumed that the Brazilian Commodore was not fully aware of what the Paraguayans were about, although it is said that he did not move down the river till authorised to do so by Admiral Tamandaré, who was at Buenos Ayres.

On the 12th, however, orders were given to get under way and to pass the Paraguayan battery at full steam; but, notwithstanding this, the guns were so well placed that the vessels, of which there were fourteen (thirteen Brazilian and one Argentine), all suffered considerable damage in their hulls and rigging; they also lost, as far I can learn, about 60 men killed and wounded. The Argentine steamer lost 2 officers and 2 men killed, and 1 officer and 7 men wounded. The squadron was, by the last accounts, anchored at Rincon de Soto.

No. 4.

Mr. Thornton to Earl Russell.—(Received October 1.)

BUENOS AYRES, *August* 21, 1865.

My Lord,—News reached Buenos Ayres last night that the expedition under General Flores, which, as I have already had the honour to inform your Lordship, was sent by General Mitre to attack the Paraguayan division on the right bank of the

Uruguay, had gained a complete victory. The battle was fought on the 17th instant, near Paso de los Libres, and only lasted an hour and a quarter. The enemy were about 3,000 men, whilst the force at General Flores' disposal were 10,000 men, although I believe that not more than half the number were engaged. The Paraguayans had no artillery, whilst General Flores counted upon 32 pieces, which, however, were very little used. The latter naturally called upon Colonel Duarte, who commanded the Paraguayans, to surrender; but although his position was evidently hopeless, he refused to do so. The result was that of the 3,000 men 1,700 were killed, and 1,200 taken prisoners; amongst the latter was Colonel Duarte. This painful slaughter is declared to be entirely due to the fanatical obstinacy of the Paraguayans, who, when routed, refused to surrender; even single fugitives turned upon their pursuers and fired. The allies, it is stated, lost about 300 men killed and wounded, of which about 60 were killed. Colonel Duarte, when asked why he had made so hopeless a resistance, said that he had received no orders to surrender. But it is supposed that his men were imbued with the idea that all who were taken would be put to death.

The other division of the Paraguayans—consisting of 9,000 men—was, at the time, on the left bank of the Uruguay, in the town of Uruguayana, and in sight of their comrades, whom, however, they were unable to assist.

On the following day this column evacuated Uruguayana, retreating northwards; but it is almost certain that it is doomed, for Generals Canavarro and Flores have, between them, about 22,000 men under their orders, who ought to find no difficulty in preventing the retreat of the Paraguayans. Nature, too, is assisting the allies; for the Uruguay has suddenly risen, so that three or four small steamers and gun-boats have been able to ascend the rapids at Salto, and will help to prevent the Paraguayan column from crossing the river so as to retreat towards the Parana. It is to be hoped that it will save bloodshed by preferring surrender to a hopeless resistance.

It is said that those who fought against General Flores were almost starving and naked; so much so, that the first impulse of their enemies after the battle was over was to offer them a part of their own clothing. I have also been credibly informed that the column on the left bank of the Uruguay, when they took possession, without resistance, of the small Brazilian town of Itaqui, sacked all the houses and stores, which belonged almost entirely to foreigners. The sacking was, however, carried out

methodically, and none of the booty was given to the soldiers. They were only allowed to cover their nakedness with the flags which the proprietors had hoisted in the vain hope that neutral property would be respected.

The foreigners were principally Frenchmen, one of whom was spoiled of goods to the value of 10,000*l.* sterling.

Little can be said in favour of the generalship, or even humanity, of President Lopez, who has thus sacrificed 12,000 of his countrymen without any apparent object.

I have, &c.

(Signed) EDWD. THORNTON

No. 5.

Mr. Lettsom to Earl Russell.—(Received October 1.)

MONTE VIDEO, *August* 24, 1865.

My Lord,—I have the honour to transmit to your Lordship herewith translation of a note of Dr. Carlos de Castro, wherein his Excellency makes known to me that on the 17th instant the vanguard division of the allied armies, under the immediate orders of Brigadier-General Flores, gained a complete victory over a column of the Paraguayan forces in the district of Yatay.

This district not being laid down on any maps that I have been able to consult here, I think it proper to state that its position is in about 57° 35′ west longitude from Greenwich, and 30° 15′ south latitude not far from a spot marked on some maps as the 'Paso de los Libres,' opposite the Brazilian town of Uruguayana, on the River Uruguay.

I have also the honour to place in your Lordship's hands a copy of my answer to Dr. Carlos de Castro's note.

From all I can gather, the defeat of the Paraguayan force appears to have been as complete as the Government asserts, and the occurrence may prove to be by no means without importance, as it may prevent the further advance of the enemy's forces towards this country, from the frontier of which they were not distant more than some twenty-five or thirty miles.

I have, &c.

(Signed) W. G. LETTSOM.

Inclosure 1 in No. 5.

Dr. de Castro to Mr. Lettsom.

MONTE VIDEO, *August* 23, 1865.

(Translation.)

M. le Chargé d'Affaires,—I have the grateful satisfaction to acquaint Mr. Lettsom that the division of the vanguard of the allied army, under the immediate orders of his Excellency the Provisional Governor of the Republic, Brigadier-General Don Venancio Flores, has just obtained a complete triumph, on the 17th instant, on the field of Yatay, over the Paraguayan column commanded by Señor Duarte, which chief, with all his baggage and a great number of troops, have fallen into the hands of the victor.

This first triumph of the allied armies over the hosts of the Paraguayan despot has an immense moral and material importance, inasmuch as it is the forerunner of those which are to follow, insuring definitively the principles of liberty and justice proclaimed by the alliance.

The Provisional Government cannot do less than congratulate itself, inasmuch as during the critical moments through which the Republic has passed, it has not for an instant swerved from the path it had marked out, respecting all the guarantees, and making practical, perhaps too much so, the veneration that it pays to the laws of the country.

The event of Yatay, which will shortly be followed by the no less important one of the disappearance of the enemy's column that is now at Uruguayana, guarantees to the Republic its external quiet, and insures the interests of natives and foreigners, barbarously menaced by the conduct observed by the Paraguayan despot, who bears for his device the annihilation and devastation of the territory that he stains with his footsteps.

I avail, &c.

(Signed) C. DE CASTRO.

Inclosure 2 in No. 5.

Mr. Lettsom to Dr. de Castro.

MONTE VIDEO, *August* 24, 1865.

M. le Ministre,—I have the honour to acknowledge the receipt of the note of yesterday's date, wherein your Excellency

is pleased to make known to me that, on the 17th of this month, the vanguard division of the allied armies under the immediate orders of his Excellency the Provisional Governor of the Republic, Brigadier-General Don Venancio Flores, defeated completely, in the district of Yatay, the Paraguayan column commanded by Señor Duarte.

I shall not fail, by the first opportunity, to transmit a copy of your Excellency's note to Her Majesty's Government, which, while observing the strictest neutrality in the present war, will, I do not doubt, learn with pleasure that, in the opinion of your Excellency, this event is likely to tend to the re-establishment of peace.

I avail, &c.
(Signed) W. G. LETTSOM.

No. 6.

Mr. Thornton to Earl Russell.—(Received October 19.)

BUENOS AYRES, *September* 8, 1865.

My Lord,—With reference to my Despatch of the 21st ultimo, in which I had the honour to report to your Lordship that a battle had been fought near the Paso de los Libres between a force of the allies under General Flores and a division of Paraguayans, the official statement of the losses suffered by the former is as follows:—

	Wounded		Killed	
	Officers	Men	Officers	Men
Monte Videan Division .	25	135	3	56
Argentine ditto . .	11	71	3	12
Brazilian ditto . . .	1	13	—	1
Totals . .	37	219	6	69

I have, &c.
(Signed) EDWD. THORNTON.

No. 7.

Mr. Thornton to Earl Russell.—(Received October 19.)

BUENOS AYRES, *September* 11, 1865.

(Extract.)

In my Despatch of the 21st ultimo I had the honour to inform your Lordship that the Paraguayan division of 9,000 men on the left bank of the Uruguay had evacuated the town of Uruguayana on the 18th ultimo, retreating northwards. It seems, however, that on the following day, thinking probably that they would be unable to make good their retreat across the Uruguay and the territory of Misiones, they returned and again took possession of the town, in which they at once began to entrench themselves. They found in the town a considerable quantity of mandioca meal, which the Brazilians had neglected to carry off or destroy, and upon which the Paraguayans, frugal as they are, will be able to subsist for some time; but they have but eight light field-pieces, with which they could not resist a serious attack of the allies, who have sixty pieces, some of them of heavy calibre.

General Flores, after the battle of the 17th ultimo, lost no time in transporting the forces under his orders to the other side of the river, and in summoning the Paraguayan Commander, Colonel Estigarribia, to surrender. A translation of the answer of the latter I have the honour to inclose. From it your Lordship will perceive that he positively refuses to surrender. Colonel Estigarribia probably hopes that succour will be sent to him from the Paraguayan army in the province of Corrientes; but, as far as is known, no force has as yet been detached for the purpose. An officer who was despatched by Colonel Estigarribia with a verbal message imploring speedy assistance was taken prisoner on his way by the Argentines.

It is said that the main army is to proceed at once to Mandisobi, about thirty miles above Concordia, on the Uruguay.

His Majesty the Emperor of Brazil was to have been, on the 7th instant, at Alegrete, about 130 miles from Uruguayana, and was afterwards to continue his journey to the latter place.

Inclosure in No. 7.

Colonel Estigarribia to Brigadier-General Flores.

URUGUAY, *August* 20, 1865.

(Translation.)

Late last night I received your note of yesterday conveyed by the prisoner, Lieutenant José Zorrilla, who will also give your Excellency this my answer.

I have attentively perused said note in order to answer it as becomes a soldier of honour, to whom his Government intrusts a delicate post. I must, therefore, tell your Excellency that as a Paraguayan, a soldier, and a defender of the cause and independence of my country and of my Government, which is determined at all costs to maintain the integrity and equilibrium of the River Plate Republics, I neither can nor ought to accept your proposals.

Even supposing, as you say, that I am lost and can hope for no relief from the armies of Paraguay, honour and obedience imposes on me the necessity to die rather than deliver up the arms intrusted to me by his Excellency Marshal Lopez, President of the Republic, in defence of the sacred rights of so noble a cause, to a foreign foe. The officers and men of my command are of the same opinion, and resolved to die at their post sooner than accept a proposal which would dishonour and brand with eternal infamy the name of Paraguayan soldiers. Content with the modest position I occupy in my country, I covet neither honours nor distinctions to be acquired at the cost of my country's honour, and for the profit of a few unfortunate Paraguayans who have enlisted in the service of the enemy.

I, and all my division, desire the moment to prove to your Excellency that the Paraguayan soldier neither asks the number of the enemy nor offers to treat with them, when he has to defend such noble and cherished rights.

God preserve, &c.

(Signed) ANTONIO ESTIGARRIBIA.

No. 8.

Mr. Pakenham to Earl Russell.—(Received November 4.)

BUENOS AYRES, *September* 26, 1865.

My Lord,—I have the honour to inform your Lordship that the little town of Uruguayana, till recently occupied by the Paraguayan forces, surrendered to the allied armies on the 18th instant, and, I am happy to say, without bloodshed on either side.

Considering the obstinate conduct of the Paraguayan commandant of the place, Colonel Estigarribia, in persisting in the defence of an untenable post, the moderation displayed by the allied commanders seems worthy of much credit.

The Paraguayan officers were allowed to retain their swords, and to proceed whither they might choose, Paraguay excepted, and the rank and file were simply drafted among the allied troops. The number thus disposed of is about 5,150.

The reconquest of the Argentine Province of Corrientes will be the next object of the allies, and serious obstacles may have to be surmounted by them, owing to the complete manner in which that Province has been laid waste, and to the large Paraguayan forces now in possession of it, but concerning whose numbers, positions, or means of attack and defence no reliable information can at present be obtained.

The Brazilian squadron up the Parana remains at the anchorage at the Rincon de Soto, which it took up immediately after passing the Paraguayan batteries at Las Cuevas, and the Brazilians appear to take no notice of the Paraguayan vessels said to be plying busily only a few miles up the river.

I have, &c.,

(Signed) F. J. PAKENHAM.

No. 9.

Mr. Lettsom to Earl Russell.—(Received November 4.)

MONTE VIDEO, *September* 25, 1865.

My Lord,—I have the honour to report to your Lordship that on the 18th instant the Brazilian town of Uruguayana, which had been taken possession of by the Paraguayan forces

under the orders of an officer named Estigarribia, surrendered at discretion to the forces of the triple alliance without a shot being fired.

In acting thus the Paraguayan commander acted wisely, inasmuch as the force under his orders was clearly incapable of resisting, with anything like a chance of success, the forces opposed to him.

Only a few days before surrendering, however, the Paraguayan commander had, in an official communication to the allies, compared himself to Leonidas, and had declared that Uruguayana should prove a second Pass of Thermopylæ.

I have, &c.,
(Signed) W. G. LETTSOM.

No. 10.

Mr. Pakenham to Earl Russell.—(Received December 2.)

BUENOS AYRES, *October* 27, 1865.

(Extract.)

Since the fall of Uruguayana no conflict of any importance, beyond a skirmish ending in the recovery of a large quantity of cattle stolen by the Paraguayans, and a close approach to Paraguayan territory in a south-east direction, has taken place between the allied forces and the troops of President Lopez.

The latter seems to be concentrating his somewhat scattered forces at or near the city of Corrientes, and his troops have already abandoned the batteries erected by them at Las Cuevas, and have retired up the river.

The allied squadron moves cautiously in their rear, and it is supposed it will take an important part in the combined movement said to be now in progress between the various corps under the command of General Mitre, General Osorio, and General Flores.

Great expectations are entertained here as to the happy result of this operation, the immediate effect of which will be either the demolition of the Paraguayan forces, their hasty retreat into Paraguay, or their unconditional surrender.

A Brazilian iron-clad steamer has lately ascended the River Parana, and another arrived yesterday and will shortly follow. It is to be presumed they will take an active part in the attack on Humaitá, should that operation be contemplated.

No. 11.

Mr. Pakenham to Earl Russell.—(Received January 1, 1866).

BUENOS AYRES, *November* 25, 1865.

(Extract.)

I have the honour to forward herewith translation of a note addressed by Señor Berges, Minister for Foreign Affairs of the Republic of Paraguay, to the Representatives of foreign Powers.

Inclosure in No. 11.

Señor Berges to Mr. Thornton.

ASUNCION, *October* 4, 1865.

(Translation.)

M. le Ministre,—I have the honour of addressing your Excellency to inform you of the sentiments of consideration with which the Government of this Republic views foreign subjects, and especially those of Her Britannic Majesty, who, occupying themselves solely in their affairs and private interests, maintain themselves neutral in the war which the Republic at this moment is sustaining against the triple alliance of an Empire and two neighbouring Republics.

In such a colossal struggle as the present, in which operations are taking place to the north, east, and south of the Republic, extending over extensive territories, and war being a conglomeration of evils, often unavoidable, my Government is not blind to the fact that citizens or foreign subjects residing at those points occupied by Paraguayan forces, are not free from the possibility of being injured in their properties, however well the Paraguayan troops may be disciplined.

But if in the prosecution of the war any subject or subjects of Her Britannic Majesty are injured, the Paraguayan Government, faithful to the principles which it has adopted in this just war, will be the first to deplore such acts, and will be disposed to listen to and indemnify them at the conclusion of the war, for the injuries which they may have received on the part of the national forces, they being sufficiently proved and authenticated.

It is not the desire of the National Government that honest, pacific, and laborious foreigners, who take neither a direct nor

indirect part in the war, should suffer with impunity the consequences of it. Paraguay does not make the war, neither does she wish that the weight of her arms should fall otherwise than upon her real enemies.

It gives, me pleasure, therefore, Sir, in having the oppo-tunity of assuring your Excellency, in the name of this Government, that the pacific subjects of Her Britannic Majesty will always find the most decided protection from the Paraguayan authorities, and the most ample guarantee for their persons and properties, for these are the express orders they have received in this respect.

In offering these guarantees to friendly foreigners, the National Government feels that it has fulfilled a duty, and does not pretend to claim favours as a recompense. But even so, it cannot but hope that the sentiments of justice and equity which animate the Government of Her Britannic Majesty, and the friendly relations which happily exist between the two countries, will influence it to exercise its authority to cause its subjects to observe the strictest neutrality in the present struggle, making known at the same time the inconveniences attending the enlistment of its citizens in the ranks of the enemy to bring desolation and war to this country.

I will not conclude, Sir, without bringing to your Excellency's notice the deplorable effects which the unqualifiable blockade declared by the Argentine Government, and carried into effect by the Brazilian squadron, has done and is doing, a blockade contrary to the spirit of express Treaties for the navigation of these rivers, and in open contradiction to the conduct which this Government has adopted in the present war with respect to free navigation of the rivers and of neutral commerce.

By the Treaty of the 10th of July, 1853, the navigation of the Rivers Parana and Uruguay is declared free, in case of war breaking out between the States, Republics, or Provinces of the River Plate, for the mercantile flag of all nations, without making any exception to this principle but that appertaining to articles called contraband of war.

The Paraguayan Government, although having had no part in the said Treaty, desirous of protecting innocent commerce, has allowed those vessels, which before and after the Decree of the 16th of April, establishing the blockade, began to load in the port of Asuncion, free passage. But the allied squadron, far from allowing them to freely continue their voyage, took possession of these vessels, obliging them to serve as transports

of war against their country, whilst they caused the vessels despatched by the Custom-houses of Buenos Ayres and Monte Video, bound for Paraguay and Corrientes, to return—vessels which, for want of wind, were unable to reach their destination.

These are authentic facts, Sir, and which cannot escape your Excellency's observation.

On the other hand, Sir, my Government is not surprised that the venal press of Buenos Ayres continues with redoubled vigour its schemes of discrediting the Government and people of this Republic before the eyes of the world, imputing to the Paraguayan forces in operations imaginary acts of assassination, violence, robberies, pillage and arson. The disloyalty of our enemies will not fail to use the most ruinous means with the object of making us appear as savages, who recognise no laws, and who are unable to bridle their ferocious instincts.

I am, notwithstanding, persuaded, Sir, that, far from giving importance to the calumnious publications of that immoral press, your Excellency, with the spirit of impartiality which characterises you, will keep yourself at that distance to be enabled to judge of the facts with a knowledge of the cause.

I avail, &c.,
(Signed) JOSE BERGES.

No. 12.

Mr. Pakenham to Earl Russell.—(*Received January* 1, 1866.)

BUENOS AYRES, *November* 25, 1865.

My Lord,—Since the date of my Despatch of the 27th ultimo no serious collisions have occurred between the belligerents in these regions. The Paraguayans have succeeded in regaining their own country unmolested by the Brazilian squadron, and have carried off enormous booty in the way of cattle and horses from the Province of Corrientes.

The allies are now in possession of the town of Corrientes, and the main army appears to be gradually struggling across that province towards the Parana. They have suffered much from famine, sickness, and exposure to the inclemency of the weather; the sudden rise, too, of several small rivers has constantly detained them in unhealthy situations; and as the hot season has already set in, it is considered doubtful by many

persons whether important field operations can be undertaken by them at present.

I have, &c.,
(Signed) F. PAKENHAM.

No. 13.

The Earl of Clarendon to Mr. Ford.

FOREIGN OFFICE, *January* 6, 1866.

Sir,—I have received Mr. Pakenham's Despatch of November 25, inclosing copy of a note addressed by the Paraguayan Minister for Foreign Affairs to the Representatives of Foreign Powers, expressing the good feeling and intentions of his Government towards foreigners residing in Paraguay who maintained themselves neutral in the war at present carried on by that country.

I have to instruct you, if you should hereafter have occasion to ask for indemnities on account of losses inflicted on British subjects, to appeal to the assurances contained in this note.

I am, &c.,
(Signed) CLARENDON.

No. 14.

Mr. Ford to the Earl of Clarendon.—(*Received February* 23, 1866.)

BUENOS AYRES, *December* 23, 1865.

(Extract.)

The allied troops are steadily closing on their enemy, and the main body of their army has already reached the vicinity of Corrientes. The present low state of the water in the River Parana will cause a delay of some weeks in the operations, which cannot be undertaken without the co-operation of the naval squadron.

The intention of the allies is to cross the River Parana at a point called Paso de la Patria, and it is expected that the final battle will be fought on that spot.

The allied force musters from 45,000 to 50,000 men, who are well paid, well provisioned, and full of enthusiasm. The Paraguayans can bring at most 30,000 into the field, only half of whom are good troops.

No doubt is entertained here of the result of the impending contest.

No. 15.

Mr. Ford to the Earl of Clarendon.—(Received March 5.)

BUENOS AYRES, *January* 26, 1866.

My Lord,—There is no news from the seat of war. The allied troops occupy the same position they did a month ago.

No active operations will be undertaken until the River Parana is sufficiently high to permit the co-operation of the Brazilian Squadron.

I have been informed this morning by Senhor Octaviano that it is the intention of Viscount Tamandaré, the Brazilian Admiral, to proceed to Corrientes in the course of ten days, where his Excellency will accompany him; and it is confidently expected that the passage of the army into Paraguayan territory will take place about the middle of February.

I have, &c.,

(Signed) FRANCIS CLARE FORD.

EXERCISE VI.

Correspondence between Major-General Miller, the India Office and the Treasury, upon the subject of the Banda and Kirwee Booty.

No. 1.

Geo. A. Hamilton, Esq., to Major-Gen. Miller.

TREASURY CHAMBERS, *May* 31, 1869.

Sir,—I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, copy of a Minute of this Board relative to the application made by you, on behalf of the Prize Committee of the Saugor and Nerbudda Field Force, that the amount of certain promissory notes belonging to the ex-Chiefs of Kirwee may be claimed by the Crown and distributed as Prize.

I am, &c.
G. A. HAMILTON.

Major-General Miller,
6 St. James's Place.

Treasury Minute.

TREASURY CHAMBERS, WHITEHALL, *Monday, May* 31 1869.

PRESENT:

Mr. Gladstone.	Mr. Stansfeld.
The Chancellor of the Exchequer.	The Marquis of Lansdowne.
	Hon. Captain Vivian.

My Lords having heard counsel in support of the Memorial of Major-General Miller, as President of the Special Prize Committee of the late Saugor and Nerbudda Field Force, praying on behalf of the troops engaged in the capture of Kirwee, that the amount of certain promissory notes belonging to Narrain

Rao and Madho Rao, ex-Chiefs of Kirwee, may be distributed as prize money to the troops.

And also counsel on behalf of the Government of India, in opposition to the prayer of the Memorial, and my Lords having maturely considered the statements and reasons given in the Memorial of Major-General Miller, and the arguments of counsel, and having given full consideration to the case in reference to Lord Canning's Proclamation, in which he informs the army that it is the opinion of the Government of India, that all moveable property of the description ordinarily distributable, belonging to or which may reasonably be presumed to belong to rebels or mutineers, and which has been or may be captured by the troops engaged in suppressing the rebellion, may be fairly treated as prize.

My Lords have arrived at the conclusion, that the value or amount of the promissory notes of the Indian Government referred to in the Memorial, cannot be treated as prize within the meaning of the terms of Lord Canning's Proclamation.

And my Lords must decline to comply with the request of the memorialist that they should move the Crown, in the exercise of its prerogative, to cause the amount of those notes to be distributed as prize to the troops.

No. 2.

Major-Gen. W. H. Miller, C.B., President of the Special Prize Committee of the late Sir G. C. Whitlock's Force, to the Secretary to the Treasury.

31 Talbot Road, Bayswater, *February* 10, 1870.

Sir,—I have the honour to acknowledge the receipt of your letter of the 28th September last, to which I would have sent an earlier reply if I had not thought it desirable to wait until the official papers relative to the Kirwee funds, which had been repeatedly moved for in the House of Commons in 1866 and subsequently, were printed and circulated to members of Parliament. As these documents have at length been issued, I respectfully invite the attention of the Lords Commissioners of Her Majesty's Treasury to their contents, as showing that the ground of claim to part of the personalty of

the ex-Chiefs of Kirwee materially differs from the facts assumed at the hearing before their Lordships on the 10th May last.

The argument of the counsel for the claimants on that occasion pointed only to the debt due on 42 promissory notes of the Government of India to the captured Chiefs; and the Attorney-General in reply objected that, inasmuch as this property was money due by the conquering power to the conquered, it could not, in conformity with precedent, be held to be legal booty. It is plain that the Kattywar precedent in the Deccan case invincibly militates against that assumption; but the Lords Commissioners of the Treasury nevertheless determined that the amount of the promissory notes 'cannot be treated as prize within the meaning of the terms of Earl Canning's Proclamation.'

Neither the Attorney-General's argument nor the decision of their Lordships' Board in any way contemplated other debts due by private individuals to the ex-Chiefs.

It would seem, therefore, unless my apprehension is at fault, that the Lords Commissioners have neither specially decided the question whether debts due (not by the victor, but by others) to the vanquished are legitimate prize of war, nor noticed the alternative consideration which I ventured to submit, viz., that the additional claims set forth in my further memorial present sufficient grounds for expecting reasonable redress from the wonted liberality of the Crown. I am therefore emboldened to again intrude these points on the attention of the Board of Treasury.

There is one important fact which appears not to have been weighed with the careful examination which it seems to deserve. Earl Canning, in a Proclamation, notified to the troops in India that there was (only) one species of hostile property which in an insurrectionary war does not become subject to the usual laws of prize. When the troops, it is stated, 'retake property from the plunderers, they merely retake it on behalf of the Government and acquire no legal right of prize or of property, although they have strong claims on the liberality of the Government.' If the money due to the Chiefs of Kirwee, which in consequence of the military operations has come into the possession of the British authorities, and which was clearly not property taken from the plunderers, be not, as I believe it is, subject to the usual laws of prize, both under the terms of Lord Canning's Proclamations and otherwise, yet I think

it must be admitted that in the spirit of the notification just quoted, the captors of Kirwee have strong claims on the liberality of the Government on account of the recovery of those funds.

The broad question, however, what is booty, must, I humbly conceive, be determined, not by the Governor-General's Proclamations, but by principles derived from precedent and judicial decisions.

It has been shown that debts due to the enemy were held to be booty of war in the opinion of Sir James Marriott and Sir W. Grant, of the Duke of Wellington, of Lord Lyndhurst and his official colleagues, of the Earl of Liverpool and the Treasury Board, of Sir Herbert Jenner Fust, Dr. Lushington, and other eminent jurists; and under the shelter of these authorities I trust I may be excused if I presume to ask, as a request in which the interests of the whole British army are concerned, that their Lordships will definitely declare whether the debts due to the Kirwee Chiefs by certain individuals, amounting to Rs. 1,19,000, which the authorities in India after the capture of the enemy have recovered, are in their Lordships' judgment lawful booty of war or no; and if any novel principle in conflict with precedent is to be laid down on this point, that the reasons of such decision may be disclosed.

And if their Lordships should doubt whether s fficient precedent has been adduced to warrant the admission of this claim, I further venture, under the new aspect which this subject has assumed from the recent production of the Parliamentary Papers, to solicit with great respect that the Lords Commissioners of the Treasury will be good enough either to permit the whole matter to be re-argued before their Lordships' Board, aided, as in 1823 and 1826, by law officers of the Crown or other legal assessors, so that it may be determined judicially according to the rule of precedent on established principles of prize; or in conformity with the evident intention of the Legislature in passing the statute 3 & 4 Victoria, cap. 65, sec. 22, to refer the specific question, whether the debts due by natives of India to the Chiefs of Kirwee are legal booty, to the decision of a legally constituted court.

I have, &c.,

W. H. MILLER, *Major-General,*

President of the Special Prize Committee of the late Sir G. C. Whitlock's Force.

The Secretary to the Treasury.

No. 3.

Major-General Miller, President of the Special Prize Committee of the late Sir G. C. Whitlock's Force, to the Secretary to the Treasury.

31 TALBOT ROAD, BAYSWATER, *July* 1, 1870.

SIR,—I have the honour to acknowledge the receipt of your letter of the 29th ultimo, in which the Lords Commissioners of Her Majesty's Treasury decline my request that Rs. 1,19,149 13a. 1p., recovered as debts due to the captured Chiefs of Kirwee, may be distributed as prize, the Attorney-General having admitted in his speech in Parliament on the 27th May last, that debts due by private debtors to captured enemies in India had in former cases been treated as prize of war.

Their Lordships have not contested the statement of the Attorney-General, and neither your last nor your previous letters assign any reason for departing from the principle and usage which, as the chief law officer of the Crown testifies, endured to the benefit of the troops under the government of the East India Company in Indian wars.

I take upon me to respectfully submit that if the Indian territories had remained to the present time under the dominion of the Company, the funds for which I have applied on behalf of the troops engaged in the expedition against Banda and Kirwee must, in conformity with the decisions pronounced by the most eminent judges, and the opinions of jurists of the highest authority, have been claimed as booty appertaining as a right of war to Her Majesty's prerogative, and have been distributed as prize to the troops; and if this property, in consequence of the termination of the sovereignty of the East India Company, is not to be placed at Her Majesty's disposal, to be distributed as by her royal proclamation she shall think fit, it is obvious that the Queen's prerogative is invaded, and the guarantee of the British Parliament, which solemnly assured to Indian officers and soldiers, when India was transferred to the Crown, 'all the rights, privileges, and expectations which they were led to form at the time of their admission to the service,' has been infringed.

I think I may assume, after the various discussions which have established the real facts of the case, that no one can seriously contend that any distinction can be drawn, for purposes of prize, between the moveable property belonging to the insurgent leaders in 1858, and the moveable property taken from foreign enemies in former wars.

The two Proclamations of Earl Canning assured the army that the ordinary rights of prize should be recognised, except in cases of recapture, with regard to all property taken from the rebels.

This is the natural and necessary meaning of those announcements, and the sense in which they were understood by the troops; and it is a self-evident proposition that in cases of rebellion or military treason, the ordinary rights of arms cannot be narrowed, nor the victorious soldier deprived of the usual spoils of war.

The reason of the case, the example of all nations, and history from the days of Cromwell to those of President Lincoln plainly tell us this, and hence the opinion expressed by the Solicitor-General and Messrs. F. Stephen, V. Harcourt, H. Prendergast, and F. Ramadge, 'We see no reason why any distinction should be drawn in such a matter between the insurgent forces in India and a foreign enemy.' I am therefore entirely at a loss to understand why the value of the debts due to the vanquished enemy and recovered by the authorities in India, which the Attorney-General admits would in former cases have been treated as prize of war, is in the present case to be withheld from the troops, and why precedent is in this instance to be arbitrarily set aside when the precedent closely applicable is that which the judgment of Dr. Lushington described as 'the leading case of military booty,' the precedent of the Deccan case.

I have thought it my duty, in order if possible to avoid all litigation, to apply to the Lords Commissioners of Her Majesty's Treasury for the payment of those funds, recovered from persons indebted to the ex-Chiefs of Kirwee, which according to the avowal of the Attorney-General, and I presume, in the opinion of their Lordships, would in former cases have been held to be ordinarily distributable as prize. I hoped that the Lords Commissioners would have readily acquiesced in this claim, or in case of doubt, would have submitted the point for the opinion of the law officers of the Crown or other high legal authority,

if they had not thought proper to refer this question, on which no legal argument has taken place, to the legally constituted tribunal, the High Court of Admiralty. I am advised, however, that this money, being part of the proceeds of the capture of Kirwee, would appear to have been actually granted by Her Majesty to the Secretary of State for India, in trust for the troops who are beneficially interested, under the royal warrant, and that an application to the High Court of Chancery to enforce the trust would be expedient, inasmuch as it is clear beyond controversy that Her Majesty's warrant grants not merely the property 'sold,' but generally all the moveable property captured at Banda and Kirwee, or in other words, all the booty acquired through the successful operations of Sir G C. Whitlock's force. But in order to obviate the great expense which might be incurred by proceedings in Chancery, I would respectfully renew my request that this question, which was not argued by counsel before their Lordships at the hearing at the Treasury on May 10, 1869, may be referred under the Act 3 & 4 Victoria, cap. 65, sect. 22, in accordance with the avowed intention of the framer of the statute, and with the recommendation of the Royal Army Prize Commission, and with the example set by Lord Palmerston in 1864, to the decision of the High Court of Admiralty. It was stated erroneously in Parliament that the Act above quoted did not confer on the Court of Admiralty, under reference from the Crown, jurisdiction to decide matters and questions concerning booty of war, *i.e.* what is booty; but only to determine disputes concerning the distribution thereof, viz., who are entitled to share. This is obviously incorrect, for by the words of the Act, the Court is specially empowered to take cognizance of all disputes as to what is or is not booty of war, which it may please Her Majesty, by the advice of Her Privy Council, to refer to its judgment. I do not observe from any of the letters with which you have honoured me, that the advice of Her Majesty's Privy Council has yet been asked as to the expediency of referring the present question (in which the law officers of the Crown and other distinguished jurists have expressed opinions favourable to the claim of the Madras troops) to the Court of Admiralty, but I venture to believe that the Privy Council, on a proper representation of the case, would advise Her Majesty to refer this controversy to a competent tribunal. I further beg you to permit me to correct the statement made in Parliament, which alleged that the Lords Com-

missioners of Her Majesty's Treasury had assumed jurisdiction in the matter of the State debt due to the Chiefs of Kirwee at the request and with the consent of the claimants.

It will be in your recollection that no such request was made, and on April 28, 1869, when their Lordships announced their intention to hear counsel on the 10th May prox., the consent of the claimants had not been asked.

They gratefully acquiesced in a proposal to which they did not feel at liberty to object, but they were at the time entirely ignorant as to the nature of the intended hearing, and even as to the point which was to be argued at the Treasury.

I have, &c.,

W. H. MILLER, *Major-General,*
President of the Special Prize Committee of the late Sir G. C. Whitlock's Force.

The Secretary to the Treasury.

No. 4.

R. R. W. Lingen, Esq., C.B., to Major-General Miller, C.B.

TREASURY CHAMBERS, *September* 1, 1870.

Sir,—The Lords Commissioners of Her Majesty's Treasury have had under their consideration your further letter of July 1, applying for the distribution as prize to the troops employed in the expedition in which Kirwee and its Chiefs were captured, of the sum of Rs. 1,19,149 13a. 1p., stated to have been recovered as debts due to those Chiefs.

Their Lordships desire me to acquaint you that they must finally decline to re-open this case.

I am, &c.,

R. R. W. LINGEN.

Major-General Miller, C.B.

No. 5.

Major-General Miller, C.B., to the Secretary to the Treasury.

49 WESTBOURNE PARK, BAYSWATER, W., *October* 26, 1870.

Sir,—Pursuant to a unanimous resolution passed at a general meeting of the officers of the late Sir G. C. Whitlock's force, I have the honour, as President of the Special Prize Committee, to apply to the Lords Commissioners of Her Majesty's Treasury for the sum of 2,000*l.* out of the undistributed balance of the Banda and Kirwee Prize Fund.

The object of this resolution was to indemnify the Committee for outlay incurred since September 1869, and expenses which they may be obliged to incur in prosecution of the further prize claims which they have been charged to advocate for the common benefit of all entitled, under Dr. Lushington's judgment, to share in the booty resulting from the capture of Kirwee.

I make this application with the more confidence, as the Lords of the Treasury are aware that the claims of the troops seem to be supported by important precedents, and that high legal opinions have been pronounced in favour of them, and that after the conclusion, in 1866, of the legal proceedings in the High Court of Admiralty, the troops whom this Committee represent were called upon, though the judgment was given in their favour, to pay all the costs of the suit, chiefly in consequence of the diversity of opinion, as to the merits of the case, which prevailed in the various Departments of State.

I have, &c.,

W. H. MILLER, *Major-General,*
President of the Special Prize Committee of the late Sir G. C. Whitlock's Force.

The Secretary to the Treasury.

No. 6.

The Right Hon. J. Stansfeld to Major-General Miller, C.B.

TREASURY CHAMBERS, *November* 16, 1870.

Sir,—The Lords Commissioners of Her Majesty's Treasury have had before them your letter of the 26th ultimo, in which,

in compliance with a resolution passed at a general meeting of the officers of the late Sir G. C. Whitlock's force, you apply, as President of the Special Prize Committee, for payment of a further sum of 2,000*l.* out of the undistributed balance of the Banda and Kirwee Prize Fund.

From that letter it would appear that the object of the resolution was to indemnify the Committee for outlay incurred since September 1869, and for expenses which they may be obliged to incur in prosecution of the further prize claims which they have been charged to advocate for the common benefit of all entitled to share (under Dr. Lushington's judgment) in the booty resulting from the capture of Kirwee.

But my Lords would observe that on the previous occasion when the consent of this Board was obtained to the payment of a sum of 1,492*l.* 8*s.* 6*d.* out of the balance before mentioned, the application for payment (as stated in your letters of 12th August and 3rd September 1869) was preferred on account of expenses incurred in prosecuting the recent prize claims, with reference to the proceedings before, and the decision of this Board of May 16 last year.

The present application differs materially therefore from that to which my Lords, after some hesitation, gave their consent.

I am to call your attention to the fact that, by the terms of Her Majesty's warrant of 22nd November 1866, the booty captured is granted to the Secretary of State for India in Council, in trust, and to be distributed by him, &c.

Any application for payment out of the proceeds realized in respect of such booty should therefore be addressed to the Secretary of State; but my Lords must decline to express any opinion further than to remark that they are not aware of the necessity for further expenditure in connection with the subject, as the Special Committee have been repeatedly informed that this Board is not prepared to alter its decision with reference to the claims preferred by the Committee.

I am, &c.,
J. STANSFELD.

Major-General W. H. Miller.

No. 7.

Major-General Miller, C.B., to the Secretary to the Treasury.

49 WESTBOURNE SQUARE, BAYSWATER, *November* 23, 1870.

Sir,—I have the honour to acknowledge the receipt of your letter, dated the 16th of the present month, conveying the observations which the Lords Commissioners of Her Majesty's Treasury have made with respect to the recent application of the Special Prize Committee for the payment of a portion of the residuary prize fund, on account of further expenses incurred in sustaining the claim of the troops to the remainder of the booty resulting from the capture of Kirwee and its Chiefs.

I am sure that the Lords Commissioners will pardon me if I once more intrude on your attention to point out in reply that the objections which occur to their Lordships are founded, as your statement shows, on an important misapprehension of facts; which I respectfully ask permission to correct, addressing myself with that correction, to their Lordship's equity and indulgence to return a favourable reply to my letter of the 26th ultimo.

It is stated in your letter (para. 3) under acknowledgment,—

'But my Lords would observe that on the previous occasion when the consent of this Board was obtained to the payment of a sum of 1,492*l.* 8*s.* 6*d.* out of the balance before mentioned, the application for payment (as stated in your letters of 12th August and 3rd September, 1869) was preferred on account of expenses incurred in prosecuting the recent prize claims, with reference to the proceedings before, and the decision of this Board of 16th (10th ?) May last year.

'The present application differs materially therefore from that to which my Lords, after some hesitation, gave their consent.'

On reference to my letters of 12th August and 3rd September, 1869, it will be seen that the application for costs and expenses which was then made by this Committee, and to which the Lords Commissioners acceded, was by no means limited to the outlay incurred by the proceedings before the Board of Treasury in May 1869. In the letter of the 3rd of September the expenses of the Committee in June and July 1869, amounting to 221*l.* 15*s.*, are distinctly specified; and in the letter dated 12th August explicit reference is made to outlay incurred in

'obtaining official documents recently presented to Parliament.' Among these official documents, which were not made available in a printed form until December last, were papers of very great importance, which might have materially influenced the decision of the question at issue, and for which application had been frequently made, without effect, to the India Office. One of these documents was the official list of the property of the ex-Chiefs of Kirwee, showing that, independently of all State debts, the value of other debts due to the enemy by private debtors had fallen, after the success of the British force, into the possession of the local officers. But this information could not be duly investigated last year, and could not therefore be submitted to our counsel previously to the hearing of the Treasury; and the counsel on the other side, the Attorney-General, who has since admitted in the House of Commons that the claim for the private debts is valid, was equally ignorant on this point.

It will be seen, therefore, that the Lords Commissioners after mature deliberation have already allowed as a legitimate charge on the prize fund some expenses which grew out of a matter and a claim not at all comprehended in the proceedings at the Treasury in May 1869, in which the existence of the private debts called in by the Indian authorities, after the conquest of the enemy, was entirely ignored.

Other expenses, in connection with the claims, both for the State debentures and the private debts, have been legitimately incurred at later dates, as for example, in preparing petitions presented (8th February, 1870) to the Houses of Parliament, by Lord Derby and Mr. Goldney, and in arranging the necessary information for the consideration of the House of Commons in May last. Believing that the Lords Commissioners, since the passing of the Act 3 & 4 Vict. c. 65, s. 22, are not the tribunal selected by the Legislature to exercise final jurisdiction in intricate questions concerning booty of war, and that the decision which their Lordships pronounced in May 1869 is radically opposed to precedent, the Special Prize Committee could not have felt justified in their own eyes if they had not addressed themselves to the justice of Parliament and endeavoured to adopt every possible method of appeal. I therefore submit with great respect that the present application for expenses incurred for the troops entitled to the Kirwee Prize should be entertained by the Lords Commissioners of the Treasury (his Grace the Secretary of State for India in Council having already referred such matters to their decision), in the same liberal spirit

and on the same forcible grounds which caused my former request to bo favourably received; if indeed there be not stronger grounds in the present than in the former case for favourable consideration.

I have, &c.,
W. H. MILLER, *Major-General,*
President of the Special Prize Committee of the late Sir G. C. Whitlock's Force.

The Secretary to the Treasury.

No 8.

Major-General Miller, C.B., to the Under Secretary of State for India.

49 WESTBOURNE PARK, BAYSWATER, *December* 30, 1870.

Sir,—Pending the receipt of a reply to my letter of the 9th of the present month, I have the honour to invite your attention to the accompanying extracts from the official correspondence at the end of 1862 between the Government of India and the Government of the North-Western Provinces.

From these documents it appears that in addition to the value of the loan notes, and the sum of Rs. 1,19,149 13a. 1p., liquidated debts, there still remains a further amount of Rs. 12,782 5a., realised by the Government from the sale of iewels belonging to the ex-Chiefs of Kirwee, which has not been credited to the prize fund.

It would therefore seem that, independently of the Rs. 27,60,000 due on Government debentures, the troops are entitled to the sum of Rs. 1,31,932 2a. 1p. on account of movable property of the enemy which has come into the hands of the Government of India, in trust for the Crown, as a right of war.

I assume that the items 6 and 7 noted in the marginal extract are proceeds of real property, which are not the subject of claim on the part of the troops.

I have, &c.,
W. H. MILLER, *Major-General,*
President of the Special Prize Committee, Saugor and Nerbudda Field Force.

The Under Secretary of State for India.

Extracts from a Letter, dated Nynee Tal, 4th November, 1862, from the Secretary to the Government of the North-Western Provinces to the Secretary to the Government of India, Foreign Department.

Para. 2. 'A copy of a communication from the Commissioner of Benares, in which the sums noted in the margin were reported to have been realized, was forwarded for the information of the Government of India, with my letter, dated 19th February last, and in my subsequent Despatch dated 31st May, it was reported that the marginally noted outstanding debts due to the Raos had been recovered.'

Para. 3. . . . . 'The total amount, therefore, which has been realized by the sale of the entire property of the Raos in the hands of Government is Rs. 2,28,671, 15a. 9p., as shown in the margin.' *

Extract from the Proceedings, 31st December, 1862, of the Government of India, Foreign Department.

'The available assets for Madho Rao's provision are, therefore,—

	Rs.	a.	p.
Sales and proceeds of Benares and Allahabad property	93,970	1	3
Debts realised	1,19,149	13	1
Government notes	27,55,000	0	0
	29,68,119	14	4

No. 9.

Major-General Pears, Military Secretary, to the Secretary to the Treasury.

INDIA OFFICE, S.W., *January* 6, 1871.

Sir,—I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 9th ult.,

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* Benares:	Rs.	a.	p.
1. Sale of houses and gardens	31,209	2	6
2. Jewels	12,782	5	0
3. Village of Moradho	18,000	0	0
4. Debt of Mussamut Nauhee Baboo . .	99,588	4	6
5. Debt of Anna Gorai	19,561	8	7
6. Allahabad sale of property	31,978	9	9
7. Banda	15,552	1	5
	2,28,671	15	9

calling attention to the letters from the Lords Commissioners of Her Majesty's Treasury of the 30th August and 4th September, 1869, sanctioning the payment out of the undistributed portion of the Banda and Kirwee Prize Fund of the costs which have been incurred by the Special Prize Committee of the Saugor and Nerbudda Field Force in prosecuting certain claims; also forwarding an application, recently received from the chairman of that Committee, for a further sum of 2,000*l.* from the balance standing to the credit of the prize fund, with a view to indemnifying the Committee for their outlay since September 1869, and enabling them to continue the prosecution of their claims, in which application their Lordships request to be furnished with the opinion of the Secretary of State for India.

2. In reply, I am instructed to state that the Duke of Argyll is of opinion that the request of Major-General Miller should be negatived.

3. I am further directed to add that a similar application has been preferred by General Miller to this office.

4. I am also further instructed to state, with reference to the concluding paragraph of my letter of the 5th August 1869, that the recognition in any way of any person or persons, other than the prize agents, as acting on behalf of a force having such agents duly constituted, must of necessity form an embarrassing precedent.

I have, &c.,
T. T. PEARS, *Major-General, Military Secretary.*

The Secretary, Treasury.

No. 10.

Major-General Miller, C.B., to the Under Secretary of State for India.

49 WESTBOURNE PARK, BAYSWATER, *January* 11, 1871.

Sir,—In the 4th paragraph of a letter from the acting President of the Special Prize Committee, forwarded to your address on the 19th September, 1868, by the prize agents of the Saugor and Nerbudda Field Force, the attention of the Right Honourable the Secretary of State in Council was respectfully invited to the fact that, under the orders of the Government of India, the Banda and Kirwee Prize Fund had been subjected to a loss

of more than 4,000*l.* by the forced payment of commission to the auctioneers for exposing to public sale 14,62,266 Furruckabad and other rupees captured at Kirwee in June 1858, and deposited in the Allahabad Treasury.

A further application, dated 3rd May, 1869, for the official correspondence on this subject was forwarded by Colonel Holmes, but to these communications I believe no reply has yet been given.

On the 4th October, 1858, Mr. P. B. Reid, the deputy collector of Allahabad, wrote as follows with reference to the immediate utilization of this specie :—

'4. I am having the uncurrent rupees amounting to Rs. 14,65,335 packed in boxes of 5,000 each, so that if it be the pleasure of Government that they shall be remitted to the Calcutta Mint, there will be no necessity to re-pack, but merely to label and invoice the boxes, and put them on board the steamer.'

In this timely and reasonable suggestion the prize agents of Sir G. C. Whitlock's force concurred, and it was not through any negligence of theirs if this money was not available in the year 1858, for the use of the State, in whose hands it was lodged.

Under these circumstances I respectfully submit that interest might fairly be allowed on the sum of Rs. 14,62,266 4a., or the equivalent, Co. Rs. 14,33,422 6a. 5p., from October 1858, if not from the precise date of the deposit. The troops must otherwise further incur an unmerited loss on this portion of the prize property of four years' interest, or about 30,000*l.*, in addition to the enforced payment, notwithstanding the prize agents' protest, of 4,380*l.* commission, which was disbursed by the stringent order of the Government to Messrs. Hamilton & Co., the auctioneers.

In my recent letter, dated 30th ultimo, I pointed out that besides the Rs. 27,60,000, the value of the State debts, and Rs. 1,19,149 13a. 1p., private debts due to the ex-Chiefs of Kirwee, there appeared to be a further claim for the sum of Rs. 12.782 5a., the proceeds of jewels sold, which had not been accounted for to the prize agents or to the Crown.

I have to regret that these supplementary claims should, at this late date, form the subject of correspondence, but it will be remembered that the prize accounts could not be carefully investigated by this Committee until the Parliamentary Papers were printed in December 1869; and in consequence of various errors, involving in one instance a miscalculation of 140,000*l.*

in the official statements furnished from Calcutta, these accounts have proved to be not readily intelligible.

The Special Prize Committee having now devoted much time and labour to their investigation, I shall feel much obliged if his Grace the Secretary of State in Council will be pleased to issue such instructions as may lead to the speedy and final adjustment of all reasonable claims on the part of the troops.

The whole of these claims, as shown in the accompanying list, are now, I believe, fully detailed.

It will not be thought that in applying for interest on the uncurrent rupees, I wish to assert a claim for interest on other prize property prior to its sale. The distinction is obvious. The rupees were already prepared for recoinage in October 1858, and only needed the order of the Government for their transmission to the Calcutta Mint. Property of other kinds could only be disposed of by auction, and although the sales were grievously delayed, no claim is now urged for losses on that account.

I have, &c.,
W. H. MILLER, *Major-General*,
President of the Special Prize Committee,
Saugor and Nerbudda Field Force.

The Under Secretary of State
for India.

KIRWEE PRIZE.

List of further Claims.

	Rs.	a.	p
Amount due by the East India Company to the ex-Chiefs on 44 promissory notes .	27,60,000	0	0
Amount of private debts recovered after the capture and conviction of the hostile Chiefs	1,19,149	13	1
Amount realised by the sale of jewels and not credited to the Prize Fund	12,782	5	0
Amount due on Co. Rs. 14,33,422 6a. 5p. for interest from October 1858 to July 1862, estimated about	2,80,000	0	0
	31,71,932	2	1

W. H. MILLER, *Major-General.*

11*th January* 1871.

No. 11.

Major-General Pears to Major-General Miller, C.B.

INDIA OFFICE, S.W., *January* 19, 1871.

Sir,—I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letters of the 9th and 30th ult., and in reply thereto to refer you to the letter from this office of 21st August, 1868, and to request that any communications which it may be necessary to make on behalf of the late General Whitlock's Force may be made through the recognised channel of the prize agents of that Force.

I have, &c.,
T. T. PEARS, *Major-General,*
Military Secretary.

Major-General Miller, C.B.

No. 12.

Major-General Miller to the Under Secretary of State for India (Military Department).

43 LEINSTER SQUARE, BAYSWATER, *January* 20, 1871.

Sir,—I have the honour to acknowledge the receipt of your letter of yesterday's date. In deference to the desire of his Grace the Secretary of State in Council, I will forward certified copies of my letters of the 9th and 30th ult., and the 11th of this month through the only prize agent of the late Saugor and Nerbudda Field Force now in England, who, however, does not reside in London.

I beg respectfully to call attention once more to the fact that I addressed my application, dated 26th October last, now awaiting a reply, in the first instance to the Secretary to the Treasury, and then to the Duke of Argyll in Council, in compliance with instructions to that effect received from the Lords Commissioners of Her Majesty's Treasury, and that the adoption of a more circuitous channel of communication than their Lordships have considered to be necessary must complicate and delay, and thereby add to the expense of the unwillingly protracted proceedings of this Committee, to which the officers of the late Sir G. C. Whitlock's Force have unanimously confided the protection of their prize interests.

I would also respectfully submit that if this Committee is not recognised—for so your letter under acknowledgment implies—as the lawful representative of that Force with reference to these prize claims, that objection should in fairness have been urged by the Attorney-General (who opposed us under the instructions of the Home Government of India) during the proceedings in May 1869, when this Committee appeared by their Lordships' desire before the Board of Treasury by counsel as the duly appointed representative of Sir G. C. Whitlock's troops. If it can be shown that the Committee is not empowered to act on behalf of the troops in these matters, this would seem to furnish a further ground, in addition to other objections, for contesting the validity of the proceedings before and the decision of their Lordships' Board in May 1869, as affecting the claims of the officers and men whose interests are at stake.

I have, &c.,
W. H. MILLER, *Major-General,*
President of the Special Prize Committee of the late Sir G. C. Whitlock's Force.

The Under Secretary of State
for India.

P.S.—I beg respectfully to add that the resolution by which the Special Prize Committee was unanimously re-elected on the 22nd of June last for the purpose of asserting the further prize claims of the troops was seconded by Colonel Holmes, the senior prize agent in Europe. A copy of this resolution accompanied my letter of the 9th ult.

W. H. M.

No. 13.

Major-General Miller to the Secretary to the Treasury.

43 LEINSTER SQUARE, BAYSWATER, *January* 24, 1871.

Sir,—In forwarding the marginally noted letters * for the

* From the Under Secretary of State for India (Military Department), No. 144, to Major-General Miller, C.B., dated January 19, 1871. From Major-General Miller to the Under Secretary of State for India, dated 20th idem.

consideration of the Lords Commissioners of Her Majesty's Treasury, I have the honour to state that in compliance with the intimation conveyed to me in your letter of the 16th November last, I addressed an application in due form, on the 9th ult., to his Grace the Secretary of State for India in Council.

I have now, on the 19th of this month, had the honour to receive a reply from the Military Secretary, which refers to a previous letter, dated 21st August, 1868, and informs me that the Secretary of State in Council declines to enter into communication with this Committee.

This official punctilio having been raised unexpectedly, and, as it seems, without adequate cause or necessity, I beg to respectfully solicit fresh instructions (as to the proper mode of future correspondence) from the Lords Commissioners of the Treasury, who on various occasions have received with attention and courtesy the written and oral representations of this Committee as the duly appointed organ of General Whitlock's Force; a position which, I venture to submit, we have not assumed without authority.

In the absence of all the prize agents from London, and of most of them from England, it must become a matter of increased difficulty, delay, and expense to address, in obedience to their Lordships' recent directions, further communications to the Secretary of State for India in Council, if the circuitous channel of correspondence which is indicated in Major-General Pears' letter of Thursday last is indispensable. If all the prize agents should happen to be abroad, that channel would be absolutely shut.

I had naturally imagined that this Committee had been recognised for all practical purposes, both by the Lords Commissioners of the Treasury, and by the Secretary of State for India in Council, during the proceedings in May 1869, when we appeared by counsel at their Lordships' instance before the Board of Treasury, with the consent of his Grace's counsel, the Attorney-General, as the acknowledged agent and representative of Sir G. C. Whitlock's troops. I may add that neither Lord Palmerston nor the Judge of the High Court of Admiralty considered it necessary to require the intervention of the prize agents, as the only recognised channel of communication, with reference to the prize claims of those troops.

I have also the honour to forward a copy of a letter, dated

21st January, 1871, from the senior prize agent to the Military Secretary of the India Department, as further testimony that the special Prize Committee has not usurped the position which it claims.

I have, &c.,
W. H. MILLER, *Major-General.*
President of the Special Prize Committee of the late Sir G. C. Whitlock's Force.

The Secretary to the Treasury.

No. 14.

The Right Hon. J. Stansfeld to Major-General Miller, C.B.

TREASURY CHAMBERS, *February* 6, 1871.

Sir,—The Lords Commissioners of Her Majesty's Treasury have had before them your letters of 23rd November last and 24th ult., on the subject of the application of the Special Prize Committee for the payment of a portion of the residuary prize fund on account of further expenses incurred in sustaining the claim of the troops to the remainder of the booty resulting from the capture of Kirwee and its Chiefs.

Their Lordships desire me to inform you that they decline to alter their decision, which was conveyed to you on 16th November, as to the payment of any further expenses of this nature; and at the same time I am to express their surprise at the interpretation which you have endeavoured to put upon their letter of 16th November last which it is unnecessary to say it was never intended to bear.

I am to add that my Lords are of opinion that this correspondence must now be considered as brought to a close.

I am, &c.,
J. STANSFELD.

Major-General Miller, C.B.

EXERCISE VII.

Copies of Extracts of any Despatches that have been received by Her Majesty's Secretary of State for the Colonies, on the subject of the establishment of a Representative Assembly at Vancouver's Island.

Despatches from the Right Hon. H. Labouchere, M.P., Secretary of State.

No. 1.

Copy of Despatch from the Right Honourable H. Labouchere, M.P., to Governor Douglas.

DOWNING STREET, *February* 28, 1856.

Sir,—By the Commission and Instructions which your predecessor, Governor Blanchard, received when the Colony of Vancouver's Island was first founded, he was directed to summon General Assemblies of freeholders, qualified by the ownership of 20 acres of land, and with their advice and that of his Council, to make laws and ordinances for the good government of the island.

2. I am aware that the same Commission contains another clause, professing to empower the Governor to make such laws with the advice of his Council only. Perhaps this was introduced with the view of creating a legislature to meet the immediate wants of the community before Assemblies could be summoned. But I am convinced, as well by the general tenor of the documents themselves as by the information which I have been able to obtain of the intention of Her Majesty's Government in framing them, that it was then contemplated that such Assemblies should be summoned as soon as it should be practicable to do so.

3. Causes over which the local Government had no control, and which are too well known to need recapitulation, have

hitherto prevented the Settlement from acquiring that development which its founders may have expected. Considering the small number of established colonists, you thought it advisable to act on the power apparently given to yourself to conduct the affairs of the island with the advice of your Council only, and to pass certain laws which you considered most required by the exigencies of the time. In doing so, you proceeded on a fair understanding of the authority conveyed to you, and Her Majesty's Government are fully satisfied with the course which you took.

4. Nevertheless, it has been doubted by authorities conversant in the principles of Colonial law, whether the Crown can legally convey authority to make laws in a Settlement founded by Englishmen, even for a temporary and special purpose, to any legislature not elected wholly, or in part, by the settlers themselves. If this be the case, the clause in your Commission on which you relied would appear to be unwarranted and invalid.

5. It appears to Her Majesty's Government, therefore, that steps should be taken at once for the establishment of the only legislature authorised by the present constitution of the island. I have, accordingly, to instruct you to call together an Assembly in the terms of your Commission and Instructions.

6. For this purpose it will be within your power, as provided by the ninth clause of your Instructions, to fix the number of representatives, and, if you should consider it essential, to divide the Colony into districts, and to establish separate polling places, although with so small a number of settlers you may find this inexpedient.

7. I leave it to your local knowledge and discretion, with the advice of your Council, to suggest to the Assembly, when thus summoned, to pass such measures as you may yourself deem most required, and in particular, such as may be necessary, in order to leave no doubt of the validity of proceedings already taken without the authority of an Assembly.

8. But it appears to me, that in a community containing so very limited a number of inhabitants, the maintenance of a constitution on the model of those considerable Colonies, with a House of Representatives and a Council, may be inexpedient: and that a smaller and more select body will, for the present, and probably for some years to come, perform in a satisfactory manner the functions really required in the present stage of progress of the island.

9. Such a body, however, can be constituted only by enactment of the Legislature, authorised by the Commission, that is to say, of the Assembly and Council, together with yourself. It would be no unusual circumstance for a legislature thus constituted to surrender its powers into the hands of a single chamber. It has been successfully done in some of the smaller West India Islands.

10. I leave it to yourself to consider, with the advice of the local authorities, the numbers and proper qualification of the members of such a single Council; but in the event of your determining to introduce the elective principle into it, a certain proportion, not less than one-third, should be nominated by the Crown. The power of assenting to, or negativing, or suspending, for the assent of the Crown, the measures passed by such a Council, should be distinctly reserved to yourself. And it is very essential that a constitutional law of this description should contain a proviso, reserving the initiation of all money votes to the local Government.

11. An additional reason in favour of the course which I now prescribe (namely, that of calling together the Assembly, and then, if the Legislature so created think proper, establishing a simpler form of government) is to be found in the circumstance that the relations of the Hudson's Bay Company with the Crown must necessarily undergo revision before or in the year 1859. The position and future government of Vancouver's Island will then unavoidably pass under review, and if any difficulty should be experienced in carrying into execution any present instructions, a convenient opportunity will be afforded for reconsidering them.

12. I am aware that Her Majesty's Government are imposing on you a task of some difficulty as well as responsibility in giving you these instructions, especially as they have to be carried into execution with so small an amount of assistance as the present circumstances of your Settlement afford. But I have every reason to rely on your abilities and public spirit; and you may, on your part, rely on the continuance of such assistance and support as Her Majesty's Government can render you, and on their making full allowance for the peculiarities of your position.

I have, &c.,

(Signed) H. LABOUCHERE.

No. 2.

Copy of Despatch from the Right Honourable H. Labouchere, M.P., to Governor Douglas.

DOWNING STREET, *August* 23, 1856.

Sir,—I have to acknowledge the receipt of your Despatches of the 22nd of May and the 7th of June last.

I am very sensible of the responsibility imposed upon you by my Despatch of the 28th of February last, instructing you to convoke a Legislative Assembly, but I am satisfied from your language, that you are fully prepared to encounter that responsibility, and to take the necessary steps.

With respect to the franchise, you have, I do not doubt, very good reason for considering that it is too much restricted by the terms of your Commission. It seems to me, however, that the best course will be not for the present to alter the Commission; but that you should act on it in the first instance, and bring before the Assembly convoked by it, a measure for extending the suffrage in the manner which you propose.

I have, &c.,
(Signed) H. LABOUCHERE.

No. 3.

Copy of Despatch from the Right Honourable H. Labouchere, M.P., to Governor Douglas.

DOWNING STREET, *October* 21, 1856.

Sir,—I have to acknowledge the receipt of your Despatch dated 22nd July, enclosing minutes of the proceedings in the Council of Vancouver's Island, on the 4th and 9th of June last, together with the copy of a Proclamation convening Assemblies of freeholders, and remarking generally on the state of the Colony.

I have, &c.
(Signed) H. LABOUCHERE.

No. 4.

Extract of Despatch from the Right Honourable H. Labouchere, M.P., to Governor Douglas; dated Downing Street, 10*th November*, 1856.

I have to acknowledge the receipt of your Despatch of the 20th of August.

I have read with satisfaction the speech with which you opened the Session of the Legislature on the 12th August. With respect to the difficulty you experience in constituting a committee to inquire into the validity of the disputed elections, it is probable that that difficulty will have been removed before the receipt of this Despatch.

I shall, therefore, await your further report upon the subject.

No. 5.

Copy of Despatch from the Right Honourable H. Labouchere, M.P., to Governor Douglas.

DOWNING STREET, *January* 24, 1857.

Sir,—I have to acknowledge your Despatch of the 31st October last, reporting the proceedings of the House of Assembly of Vancouver's Island.

I have, &c.,
(Signed) H. LABOUCHERE.

No. 6.

Copy of Despatch from the Right Honourable H. Labouchere, M.P., to Governor Douglas.

DOWNING STREET, *March* 24, 1857.

Sir,—I have to acknowledge your Despatch of the 9th January, reporting the proceedings of the House of Assembly of Vancouver's Island, from the 13th of November to the 18th of December, 1856.

I have, &c.,
(Signed) H. LABOUCHERE.

Despatches from Governor Douglas.

No. 7.

Extract of Despatch from Governor Douglas to the Right Honourable H. Labouchere, M.P.; dated Victoria, Vancouver's Island, 22nd May, 1856.

(*Received August* 12, 1856.)

I have the honour to acknowledge the receipt of your Despatch of the 28th February last, with its inclosures.

It is, I confess, not without a feeling of dismay that I contemplate the nature and amount of labour and responsibility which will be imposed upon me, in the process of carrying out the instructions conveyed in your Despatch. Possessing a very slender knowledge of legislation, without legal advice or intelligent assistance of any kind, I approach the subject with diffidence; feeling, however, all the encouragement which the kindly-promised assistance and support of Her Majesty's Government is calculated to inspire.

Under those circumstances, I beg to assure you that every exertion on my part shall be made to give effect to your said instructions, at as early a period as possible.

I have not had time since the arrival of your Despatch to consider the subjects treated therein as thoroughly as their importance requires; and therefore have not arrived at any definite conclusion as to the precise plan for carrying your instructions into effect. I will, however, take the liberty of addressing you again on the subject. I observe that the terms of my Commission only empower me 'to summon and call General Assemblies of the inhabitants owning 20 or more acres of freehold land within the said island,' apparently restricting the elective franchise to the holders of 20 acres of land and upwards, to the exclusion of holders of houses and other descriptions of town property, a class more numerous than the former. I am utterly averse to universal suffrage, or making population the basis of representation; but I think it expedient to extend the franchise to all persons holding a fixed property stake, whether houses or lands, in the Colony; the whole of that class having interests to serve, and a distinct motive for seeking to improve the moral and material condition of the Colony.

With those remarks, I would here take the liberty of inquiring, if it is the desire of Her Majesty's Government to

restrict the elective franchise to the holders of 20 acres of land or upwards, or to give the representation a more extended basis.

The mail is on the point of leaving, and I am therefore compelled to bring my remarks thus abruptly to a close.

No. 8.

Extract of Despatch from Governor Douglas to the Right Honourable H. Labouchere, M.P.; dated Victoria, Vancouver's Island, 7th June, 1856.

(*Received August* 12, 1856.)

Since I had the honour of addressing you on the 22nd May last, I have held a meeting of Council for the purpose of taking into consideration the instructions contained in your Despatch No. 5, respecting the summoning of Assemblies of the freeholders of this colony. I read to Council a draft of the Proclamation which I intend to issue for convening the Assembly; proposed that the island should be divided into four electoral districts, and should return seven members; and that the property qualification of members should be freehold estate of the value and not lower than 300*l.* sterling. The property qualification of voters to be according to the terms of Her Majesty's Commission, 20 acres or upwards of freehold land.

The Council adjourned without coming to any decision till to-morrow, for the better consideration of the subjects laid before them.

The Proclamation for convening the freeholders will probably be issued in the course of this week, and the Assembly will probably meet about the first week in August.

There will be a difficulty in finding properly qualified representatives; and I fear that our early attempts at legislation will make a sorry figure; though at all events they will have the effect you contemplate, of removing all doubts as to the validity of our local enactments.

No. 9.

Extract of Despatch from Governor Douglas to the Right Honourable H. Labouchere, M.P.; dated Victoria, Vancouver's Island, 22*nd July*, 1856.

(*Received October* 14, 1856.)

I have the honour of inclosing herewith minutes of the proceedings in the Council of Vancouver's Island, on the 4th and 9th of June last. I stated in my communication of the 7th of June the subjects which had been laid before the Council on the 4th of that month. The propositions in respect to the convening and constitution of the Assembly were approved and passed without alteration at the meeting of the 9th of June.

In order to suit the circumstances of the Colony, the property qualification of members was limited to the ownership of 300*l*. of freehold estate, or upwards. To have fixed upon a higher standard of qualification would have disqualified all the present representatives, leaving no disposable persons to replace them, and it appeared to me impolitic, as well as unconstitutional, to dispense altogether with the property qualification.

You will observe by the said minutes that absentee proprietors of freehold estates are allowed to vote through their resident agents or attorneys, after the example of British Guiana.

The division of the settlements into four electoral districts admits of a more equal representation, and has given more general satisfaction to the colonists, than a single poll opened in any one district.

The electors are so few in number, that the returns were mere nominations in all the districts, with the exception of Victoria, where the contest was stoutly maintained by no fewer than five rival candidates.

The elections are now over, and the Assembly is convened for the 12th day of August.

Inclosure 1 in No. 9.

Whereas it having pleased Her most Gracious Majesty our Lady the Queen, in a commission under the Great Seal of the United Kingdom of Great Britain and Ireland, constituting me, James Douglas, Governor of Vancouver's Island and its dependencies, to authorise, empower, and command me in the manner and terms following; to wit:

We do hereby give and grant unto you full power and authority, with the advice and consent of our said Council, from time to time, as need shall require, to summon and call General Assemblies of the inhabitants, owning 20 or more acres of freehold land, within the said island and its dependencies under your Government, in such manner and form, and according to such powers, instructions, and authorities as shall be at any time hereafter granted or appointed under our sign manual and signet, or by our order in our Privy Council, or by us, through one of our principal Secretaries of State, and our will and pleasure is, that the persons thereupon duly elected by the major part of the said freeholders, and so returned, shall, before their sitting, take the oath of allegiance; which oath you shall commission fit persons, under the public seal of our said island and its dependencies, to tender and adminster unto them, and until the same shall be so taken no person shall be capable of sitting, though elected.

And we do hereby declare, that the persons so elected and qualified shall be called and deemed the General Assembly of our said island of Vancouver.

And whereas Her Most Gracious Majesty having further, in her aforesaid instructions in that behalf, commanded and authorised me in the terms and manner following, viz.:—

You are therefore, for the purpose of electing the members of such Assemblies, hereby authorised to issue a Proclamation, declaring the number of representatives to be chosen by such freeholders, to serve in the said General Assembly, and if you should see fit, dividing our said island and its dependencies into districts or counties, towns or townships, and declaring the number of representatives to be chosen by each of such districts, or counties, towns or townships respectively.

And you are hereby authorised and empowered to nominate and appoint proper persons to execute the office of returning officer in the said island, or in such districts or counties, towns or townships respectively; and you are, as soon as you shall see expedient, to issue writs in our name, directed to the proper officers in the said island, or the proper officers in such districts or counties, towns or townships respectively, directing them to summon the aforesaid freeholders to proceed to the election of persons to represent them in the General Assembly, according to the regulations and directions to be signified in the Proclamation to be issued by you as aforesaid.

Now let it be known unto all Her Majesty's loving subjects

of Vancouver's Island, and its dependencies, that I, James Douglas, Governor of the said island and its dependencies, with the advice and consent of the Council, have issued out writs in due form and according to law, calling a General Assembly of the freeholders aforesaid of Vancouver's Island and its dependencies, for the purpose of electing members to serve in the said General Assembly, which writs are to be returnable on Monday, the 4th day of August next, and that the said election shall be held at the several precincts hereinafter appointed and named.

And also, that the said freeholders shall thereupon proceed to elect seven fit and discreet perons to serve in the said General Assembly.

And also, that we have divided the said island and its dependencies into districts, as follows; to wit,

District of Victoria
District of Esquimalt and Metchosen.
District of Nanaimo.
District of Soke.

And also, that the number of representatives shall be as follows; to wit,

District of Victoria	3 members.
District of Esquimalt and Metchosen . .	2 members.
District of Nanaimo	1 member.
District of Soke	1 member.

And also, that we have hereby constituted and appointed the following persons returning officers for the aforesaid districts; to wit,

Andrew Muir . . .	Victoria District.
Herbert W. O. Margary .	Esquimalt and Metchosen District.
Charles E. Stuart . .	Nanaimo Dis rict.
John Muir, Jun. . .	Soke District.

And also, that the said returning officers shall be directed to give due and proper notice of the place and time at which the poll is to be taken in each of such districts respectively.

Given under my hand and seal, at Government House, Victoria, this 16th day of June, in the year of our Lord one thousand eight hundred and fifty-six, and in the nineteenth year of Her Majesty's reign.

(Signed) James Douglas, *Governor.*

God Save the Queen.

Inclosure 2 in No. 9.

MINUTE OF COUNCIL.

VANCOUVER'S ISLAND, *June* 4, 1856.

THE Council having met this morning, pursuant to summons, the Governor being present and the following members; to wit, John Tod, senior member, James Cooper, Roderick Finlayson, John Work,—

The Governor proceeded to lay before the Council certain instructions lately received by him from the Secretary for the Colonies, instructing him to call General Assemblies of the peop'e for the purpose of carrying Her Majesty's instructions fully into effect; and the Council adjourned at 5 o'clock P.M. till Monday, the 9th of June.

June 9, 1856.

The Council having met this morning, pursuant to adjournment, the Governor being present, and the following members; to wit, John Tod, senior member, James Cooper, John Work,—

Resume the consideration of Her Majesty's instructions for calling General Assemblies of the freeholders of Vancouver's Island.

The subjects under consideration on the 4th instant were as follows; to wit,

The property qualification of members serving in the General Assembly.

The property qualification of voters.

The right of absentee proprietors to be represented in the General Assembly.

The Governor laid down as a principle that the custom or practice observed in England should, as far as possible, be adopted in this Colony in framing the rules for elections, and proposed—

That the ownership of 300*l.* of freehold property or immovable estate should constitute the qualification of a member of the Assembly.

That absentee proprietors shall be permitted to vote through their agents or attorneys.

That the qualification of voters should be the ownership of 20 acres of freehold land or upwards, as required by his instructions from the Crown.

The Council expressed their unanimous concurrence with those suggestions, and the proposed regulations are finally settled and approved.

It was then resolved that the Settlements should be divided into four electoral districts; viz.—

Victoria District .	The country east of the Victoria Arm, and of a line running in a northerly direction towards Sanitch, so as to include Peer's Farm.
Esquimalt District .	The country west of Victoria Arm and east of Pedder Bay, including M'Kenzie's and the farms west of Colquot's River.
Soke District . .	From Pedder Bay to Otter Head, the headland beyond Soke.
Nanaimo District .	Colvile Town.

It was then resolved, That this Council do now adjourn.

No. 10.

Extract of Despatch from Governor Douglas to the Right Hon. H. Labouchere, M.P.; dated Victoria, Vancouver's Island, 20th August, 1856.

(*Received October* 28, 1856.)

The House of Assembly was opened on the 12th of the present month. The affair passed off quietly, and did not appear to excite much interest among the lower orders.

I herewith forward a copy of my address to the Assembly on that occasion, which I can only hope will meet with your approbation. As mentioned in one of my previous communications, the House of Assembly consists of seven members, viz.—

John Muir	Soke District.
John S. Helmcken Thomas Skinner	Esquimalt District
J. D. Pemberton James Yates E. E. Langford	Victoria District.
John F. Kennedy	Nanaimo District.

J. S. Helmcken has been elected Speaker of the House, but nothing further has been done. In consequence of objections having been raised to the validity of the election in one instance, and to the property qualification in two cases, making three out

of the seven members against whose return petitions have been sent in, leaving only the Speaker and three members at liberty to act, and that number is insufficient to form a committee of inquiry, the House, therefore, hardly know how to get over the difficulty. One of the petitions is evidently got up for mere party purposes; and if that were withdrawn, there would be four members and the Speaker, who might proceed to regulate the affairs of the House. In the territorial governments of the United States the practice in such cases is, for the Governor to grant certificates of qualification to a majority of the members, who then proceed to constitute the House, but I am not certain if such a course would be in harmony with English law; nevertheless, if the House should appeal to me on the subject, I will have recourse to that expedient.

Inclosure in No. 10.

The Governor's Address on opening the General Assembly at Victoria, Tuesday, 12th August, 1856.

Gentlemen of the Legislative Council, and of the House of Assembly,—

I congratulate you most sincerely on this memorable occasion—the meeting in full convention of the General Assembly of Vancouver's Island, an event fraught with consequences of the utmost importance to its present and future inhabitants; and remarkable as the first instance of representative institutions being granted in the infancy of a British Colony.

The history and actual position of this Colony are marked by many other remarkable circumstances. Called into existence by an Act of the Supreme Government, immediately after the discovery of gold in California, it has maintained an arduous and incessant struggle with the disorganising effects on labour of that discovery. Remote from every other British settlement, with its commerce trammelled, and met by restrictive duties on every side, its trade and resources remain undeveloped.

Self-supporting, and defraying all the expenses of its own Government, it presents a striking contrast to every other Colony in the British Empire, and, like the native pines of its storm-beaten promontories, it has acquired a slow but hardy growth.

Its future progress must, under Providence, in a great measure depend on the intelligence, industry, and enterprise of

its inhabitants, and upon the legislative wisdom of this Assembly.

Gentlemen, I look forward with confidence and satisfaction to the aid and support which the executive power may in future expect to derive from your local experience and knowledge of the wishes of the people, and the wants of the country. I feel assured that, as public men, holding a solemn and momentous trust, you will, as a governing principle, strive with one accord to promote the true and substantial interests of the country; and that our legislative labours will be distinguished alike by prudence, temperance, and justice to all classes.

Gentlemen, I am happy to inform you that Her Majesty's Government continue to express the most lively interest in the progress and welfare of this Colony.

Negotiations are now pending with the Government of the United States, which may probably terminate in an extension of the reciprocity Treaty to Vancouver's Island.

To show the commercial advantages connected with that Treaty, I will just mention that an import duty of 30*l.* is levied on every 100*l.*'s worth of British produce which is now sent to San Francisco, or to any other American port; or, in other words, the British proprietor pays as a tax to the United States nearly the value of every third cargo of fish, timber, or coal which he sends to any American port. The reciprocity Treaty utterly abolishes those fearful imposts, and establishes a system of free trade in the produce of British Colonies.

The effects of that measure, in developing the trade and natural resources of the Colony, can, therefore, hardly be overestimated.

The coal, the timber, and the productive fisheries of Vancouver's Island will assume a value before unknown; while every branch of trade will start into activity, and become the means of pouring wealth into the country.

So unbounded is the reliance which I place in the enterprise and intelligence possessed by the people of this Colony, and in the advantages of their geographical position, that, with equal rights and a fair field, I think they may enter into successful competition with the people of any other country.

The extension of the reciprocity Treaty to this island once gained, the interests of the Colony will become inseparably connected with the principles of free trade, a system which, I think, it will be sound policy on our part to encourage.

Gentlemen, the Colony has been again visited this year by a

large party of Northern Indians, and their presence has excited in our minds a not unreasonable degree of alarm.

Through the blessing of God, they have been kept from committing acts of open violence, and been quiet and orderly in their deportment; yet the presence of large bodies of armed savages, who have never felt the restraining influences of moral and religious training, and who are accustomed to follow the impulses of their own evil natures, more than the dictates of reason or justice, gives rise to a feeling of insecurity, which must exist as long as the Colony remains without military protection.

Her Majesty's Government, ever alive to the dangers which beset the Colony, have arranged with the Lords Commissioners of the Admiralty that the 'President' frigate should be sent to Vancouver's Island; and that measure will, I have no doubt, be carried into effect without delay.

I shall, nevertheless, continue to conciliate the good will of the native Indian tribes, by treating them with justice and forbearance, and by rigidly protecting their civil and agrarian rights; many cogent reasons of humanity and sound policy recommend that course to our attention, and I shall therefore rely upon your support in carrying such measures into effect.

We know, from our own experience, that the friendship of the natives is at all times useful, while it is no less certain that their enmity may become more disastrous than any other calamity to which the Colony is directly exposed.

Gentlemen of the House of Assembly, according to constitutional usage, with you must originate all Money Bills; it is, therefore, your special province to consider the ways and means of defraying the ordinary expenses of the Government, either by levying a Customs duty on imports, or by a system of direct taxation.

The poverty of the country and the limited means of a population struggling against the pressure of numberless privations, must necessarily restrict the amount of taxation; it should, therefore, be our constant study to regulate the public expenditure according to the means of the country, and to live strictly within our income.

The common error of running into speculative improvements, entailing debts upon the Colony, for a very uncertain advantage, should be carefully avoided.

The demands upon the public revenue will at present chiefly arise from the improvement of the internal communications of

the country, and providing for the education of the young, the erection of places for public worship, the defence of the country, and the administration of justice.

Gentlemen, I feel, in all its force, the responsibility now resting upon us. The interests and well-being of thousands yet unborn may be affected by our decisions, and they will reverence or condemn our acts according as they are found to influence for good or for evil the events of the future.

Gentlemen of the House of Assembly,—I have appointed Chief Justice Cameron to administer the oath of allegiance to the Members of your House, and to receive your declarations of qualification; you may then proceed to choose a Speaker, and to appoint the officers necessary for the proper conduct of the business of the House.

(Signed) JAMES DOUGLAS, *Governor.*

EXERCISE VIII.

Correspondence respecting the proposed Cession of the Gambia to France.

No. 1.

Governor Sir Arthur Kennedy, C.B., to the Earl Granville, K.G.

GOVERNMENT HOUSE, SIERRA LEONE, *April* 29, 1869.
(*Received May* 21, 1869.)

My Lord,—I have the honour to acknowledge the receipt of your Despatch No. 35 (Sierra Leone), 1st April, 1869; and I would preface my reply by referring your Lordship to my Despatch on the same subject, No. 85, dated 12th April, 1869, which was written prior to the receipt of your Lordship's Despatch above quoted.

2. I have but little to state in addition to what may be gathered from my Despatches named in the margin.*

3. I shall comment shortly upon the considerations your Lordship places before me in connexion with the subject of your Despatch.

4. I think it would be most undesirable to have any European Power settled in the territory between our ancient possession, the Isles de Los, and Sierra Leone.

Such occupation must, in my opinion, and that of the leading commercial men here, materially injure the trade and prospects of this Settlement, and will never be peaceably accepted by the natives, who are intelligent, English-speaking Mahommedans.

5. I see no objection, from a British point of view, to the occupation by France of any territories to the north of the Isles de Los.

* No. 77, July 3, 1868; No. 15, January 22, 1869; No. 85, April 12, 1869. These Despatches relate to the sovereignty claimed by the French over the Moriah and Samo country.

6. I have before stated that the possession of Gambia and Bulama is greatly desired by Mr. Braouezec, who represents France on this coast, and I feel sure that the cession of either of these would prove more than an equivalent from a French point of view for their abandonment of the right of sovereignty claimed by them over the Moriah and Samo country.

7. This arrangement would tend to consolidate the territory belonging to or under the protection of both nations. Moreover, the French mode of colonisation on this coast would be better suited to the natives surrounding Bulama, and bordering on the River Gambia, than the mild sway of Great Britain.

8. I shall be ready to enter into details, should your Lordship think this proposition one that can be entertained.

9. Our trade with the Moriah and Samo country will always prove a source of profit, without any outlay; while the Settlements at the Gambia and Bulama will be a source of expense, with very little profit to British commerce, as well as a source of anxiety, especially the former.

10. I entertain no doubt that a recognition of the right of the French to occupy the Moriah country unmolested would enable Earl Clarendon to dictate and obtain any commercial terms he pleased; but I must, at the same time, assure your Lordship that the natives of the country in question, who are highly intelligent, would regard any negotiations with a view to giving over their country to French occupation in the light of a *sale* of their country by Great Britain to France; and that it would irretrievably damage our prestige upon the coast, and raise a spirit of universal distrust against us.

11. The Moriah and Samo people have for fifty years regarded themselves as subjects of, and under the protection of, Great Britain; and if it be our policy to withdraw from this friendly, profitable, and inexpensive compact, I should recommend that it should be done without entering into any negotiations whatever with the French Government. Our existing treaties give us the right of equality of trade; and we should thus escape the odium which, in the estimation of the natives, will undoubtedly attach to us of having betrayed or abandoned them and sold their country.

12. None save those who have associated personally with these people can comprehend their chivalrous attachment to the Queen and Her Government.

13. The complications on the Gold Coast ought to satisfy the

most sceptical that Africans feel quite as sensitively as Europeans on these points.

I have, &c.

(Signed) A. E. KENNEDY, *Governor-in-Chief.*

The Right Hon. the Earl Granville, K.G., &c.

No. 2.

Sir F. R. Sandford to the Under-Secretary of State for Foreign Affairs.

DOWNING STREET, *August* 4, 1869.

Sir,—With reference to my letter of the 9th March, and to your reply of the 23rd of that month, upon the questions arising out of the recent French territorial acquisitions on the Fouricaria and Melligourie Rivers, comprised in what is known as the 'Moriah country,' I am directed by Earl Granville to transmit to you, for the consideration of the Earl of Clarendon, copies of two Despatches from the Governor-in-Chief of the West Africa Settlements.

The former Despatch was written before Sir A. Kennedy had received Lord Granville's Despatch, stating his views on the subject, in which Lord Clarendon had expressed his general concurrence; the latter is in reply to the Despatch communicating those views to the Governor.

His Lordship will perceive that Sir A. Kennedy considers that it would be very undesirable to have any European Power settled in the territory between the Isles de Los and Sierra Leone; and that he is of opinion that the cession of the Gambia to the French would be more than an equivalent for their abandonment of any right of sovereignty claimed by them over the Moriah and Samo countries.

Lord Granville would suggest whether it might not be advisable to ascertain from the French Government whether they still desire to obtain the cession of the Gambia in exchange for certain factories on the Gold Coast, as proposed by them in 1866, and at the same time, if so, whether they would likewise agree to a definite line being fixed to the north of Sierra Leone, between which and the Colony they will not exercise any political influence.

Lord Granville would suggest, for consideration, that the French should not interfere with any tribes on the banks of rivers which fall into the sea south of the Isles de Los; and that the British Government should abandon all claim to territory north of those rivers. Whether the Isle of Bulama, if adjudged to belong to Great Britain, should be included in this cession, may be for future consideration.

I have, &c.,
(Signed) F. R. SANDFORD.

The Under-Secretary of State,
Foreign Office.

No. 3.

H. T. Holland, Esq., to Governor Sir Arthur Kennedy, C.B.

DOWNING STREET, *September* 20, 1869.

Sir,—With reference to the suggestion contained in your Despatch of the 29th April, that the cession of the Gambia to the French Government would be more than an equivalent for their abandonment of the right of sovereignty claimed by them over the Moriah and Samo country, I am directed by Earl Granville to transmit to you, for your information, a copy of a letter which his Lordship caused to be addressed to the Foreign Office, together with a copy of one from that Department, inclosing a draft of a Despatch which the Earl of Clarendon proposes to address to Her Majesty's Ambassador at Paris on the subject.

Lord Granville desires me to request that you will at your early convenience furnish him with any observations which you may have to make in regard to the proposed mutual surrender of territories on the West Coast.

I am, &c.,
(Signed) H. T. HOLLAND.

Sir A. Kennedy, C.B.,
Junior United Service Club.

No. 4.

Governor Sir Arthur Kennedy, C.B., to the Under Secretary of State for the Colonies.

JUNIOR UNITED SERVICE CLUB, *September* 23, 1869.

Sir,—I have the honour to acknowledge the receipt of your letter, dated 20th September, 1869, inclosing the copy of a letter addressed by Sir F. R. Sandford to the Under Secretary of State for Foreign Affairs, together with the draft of a proposed Despatch from Earl Clarendon to Lord Lyons, on the subject of the cession of the Gambia to the French Government, and requesting my observations thereon.

I have in former Despatches, addressed to the Secretary of State for the Colonies, stated some of the reasons which induced me to recommend the cession of the Gambia to the French Government, and it may be convenient that I should shortly restate them.

1. The expense of maintaining troops in the Settlement, about 20,000*l.* a year, which sum I believe to exceed the whole mercantile profits of the place.

2. The hopelessness of extending civilisation among the peculiar population which surrounds and composes the bulk of the Settlement.

The precarious nature of the revenue, and probability of ultimate failure of the ground-nut crop which forms the staple export of the Settlement.

4. That the trade is now almost exclusively French, and will become more so yearly.

5. Its utter uselessness as a military post, and its unimportance to Great Britain as a mercantile Settlement.

6. The probability, if not certainty, of frequent collisions with the surrounding native tribes, which renders the maintenance of an expensive protective force necessary.

7. The responsibility of maintaining the Settlement without any result or prospective advantage.

I have on the other hand pointed out in former Despatches the advantage which would accrue to our commerce generally, and the prosperity of the Settlement of Sierra Leone in particular, if the Samo and Moriah countries were freed from French domination, and left to manage their own affairs under their existing Treaties with Great Britain.

Though I think the abandonment of any real or assumed

right of sovereignty claimed by France over the Moriah and Samo country would be much more than an equivalent for our cession of the Gambia, I entertain no doubt that the French Government attach far greater value and importance to the sovereignty over the latter, both in a military and commercial point of view.

A glance at the map will show that the possession of the St. Louis or Senegal River on the north, and the Gambia on the south, would afford valuable facilities for governing a Settlement on which the French Government have expended so much money, and to which they attach so much importance. The possession of the Gambia would enable them to develop the resources of the French Settlement of Senegal to an extent hitherto impossible, giving them command of the two great outlets for that territory. Should such an arrangement be entertained, I think the British sovereignty of Bulama (if confirmed) should be ceded together with Gambia. As here, too, the trade is almost exclusively French, and will continue to be so, and the Portuguese are bad neighbours on the coast of Africa.

I have every reason to believe that the possession of Gambia and Bulama is eagerly desired by the Representatives of the French Government on the coast. I attach little value (from a British point of view) to any territory lying north of the Rio Pongas.

I have understood that it was at one time contemplated to exchange the Gambia Settlement for the French Settlements of Grand Bassam, Dabon, and Assinie, with a view of again exchanging these latter with those of the Dutch Government on the Gold Coast.

If such views were entertained, I feel confident they could not be realised. Those French Settlements would be of no value to the Dutch Government, who, I believe, hold their Settlements for the main, if not sole, purpose of recruiting their forces in Java; and for this purpose they would be valueless, and would not, therefore, I think, be accepted by the Netherlands Government. The settlements first adverted to have been a source of expense and trouble to France, and to Great Britain they would prove an expensive and unmanageable incumbrance.

Their geographical position and surrounding circumstances render it improbable, if not impossible, that they can ever enjoy any considerable commercial development. They cannot, at present, attract any of the mercantile steamers trading to the coast.

The French Settlements south of Sierra Leone can never interfere with British interests or commerce. The French Settlement at Gaboon would prove equally as the others before-named an incumbrance to Great Britain.

If I have not been sufficiently explicit in this hastily written letter, I shall be glad to furnish any further information which may be required of me.

I have, &c.,
(Signed) A. E. KENNEDY,
Governor-in-Chief.

The Under Secretary of State,
Colonial Office.

No. 5.

Sir Frederic Rogers, Bart., K.C.M.G., to Governor Sir Arthur Kennedy, C.B.

DOWNING STREET, *October* 4, 1869.

Sir,—With reference to your letter of 23rd ultimo respecting the proposed exchange of certain territories with the French Government on the West Coast of Africa, I am directed by Earl Granville to request that you will be good enough to furnish his Lordship with an adequate geographical description of the position and extent of the territory known as the Moriah and Samo country in regard to which you propose that the French should be invited to cede their claims.

I am, &c.,
(Signed) FREDERIC ROGERS.

Sir A. Kennedy, C.B.

No. 6.

Governor Sir Arthur Kennedy, C.B., to Sir Frederic Rogers, Bart., K.C.M.G.

13 LANSDOWNE CRESCENT, CHELTENHAM, *October* 7, 1869.

Sir,—Referring to your communication dated 4th October, 1869, requiring an adequate geographical description of the position and extent of the territory known as the Moriah and

Samo country lying between Sierra Leone and Rio Pongas, I have the honour to state that one of my Despatches on the subject of the French occupation of this country was accompanied by a sketch map, on a large scale, to which I would beg to refer you.

In the event of the Despatch and map adverted to not supplying sufficient information for Lord Granville's purposes, I shall be happy to afford any further information on my return to London in a few days.

I have, &c.,
(Signed) A. E. KENNEDY.

Sir Frederic Rogers, Bart.,
&c. &c. &c.

No. 7.

Rear-Admiral Patey to the Right Hon. W. Monsell, M.P.

AMHERST LODGE, TUNBRIDGE WELLS, *October* 1, 1869.

Sir,—In a communication I had with you a few days since relative to our relinquishing the Settlements of the Gambia, you asked me to state my opinion on the subject.

The Settlements of the Gambia in a pecuniary point of view are in a satisfactory condition, having at the present moment upwards of 10,000*l.* in the Colonial chest; but should the various works and buildings which are in contemplation (and which have been placed on the estimates for the year 1870) meet with the approval of the Secretary of State, these works will absorb the greater portion of the surplus revenue.

The probable revenue for the present year is estimated at 21,593*l.*, and the expenditure at 20,577*l.*, leaving a balance of 1,016*l.* in favour of the Settlements; but a certain Customs Tariff Ordinance will expire on the 31st December, and should it not be further extended, will cause a falling off in the revenue of upwards of 2,000*l.* per annum, which, together with an anticipated depreciation in the quality and quantity of the groundnut crop, may further cause a loss to the revenue in 1870.

There are five English mercantile establishments in the Gambia, three of which are, I believe, far from being in a flourishing condition; and there are four French establishments which are steadily monopolising the trade. They have agencies

at Senegal, Goree, and other parts north of the Gambia, and at Casamano to the south, in connexion with establishments at Marseilles, Bordeaux, and other French ports, to which places the ground-nuts are all sent.

The French pay in cash for the ground-nuts and other produce. This is preferred by the natives to the old system of barter still pursued by the English merchants; in consequence, the trade of the Gambia is rapidly falling into the hands of the French.

One wing of a West India Regiment is always quartered at the Gambia with the usual staff of Civil officers, &c., at a cost to the Imperial Government estimated at about 30,000*l.* per annum.

The principal object in view in the maintenance of these establishments was the suppression of the Slave Trade from the Coast, which is now virtually at an end.

Domestic slavery still prevails amongst the native tribes, whose social condition appears to have been little improved by intercourse with Europeans.

The climate during four months of the year is extremely unhealthy. The water is at all times very impure; and from the poorness of the soil, vegetables, which are raised in plenty at Sierra Leone, cannot be grown. The supply of animal food is most inferior, the price very high, and the meat devoid of nourishing properties. During the rainy season a European can scarcely bear up against these contending evils; all who can possibly manage to do so leave the Settlements.

The native character is extremely dull and indolent, and seems little capable of improvement; and the climate, or some other cause, appears to have a very demoralising effect on the majority of Europeans.

Undoubtedly, the Settlements of the Gambia are maintained at a heavy sacrifice—morally, physically, and pecuniarily—to the Imperial Government.

I have, &c.,

(Signed) CHAS. G. E. PATEY, *Rear-Admiral,*
Administrator, Gambia.

The Right Hon. W. Monsell, M.P.

No. 8.

Sir Frederic Rogers, Bart., K.C.M.G., to the Right Hon. E. Hammond.

DOWNING STREET, *October* 21, 1869.

Sir,—With reference to my letter of the 4th instant, regarding the proposed exchange of territory with the French Government on the West Coast of Africa, I am directed by Earl Granville to transmit to you, to be laid before the Earl of Clarendon, a copy of a further letter from Sir A. Kennedy on the subject.

Lord Granville desires me to observe that Sir A. Kennedy proposes that in consideration of the cession of the Gambia, the French should cease to exercise authority over the Africans on the coast or banks of rivers between Sierra Leone and the River Dembia inclusive.

I am, &c.,
(Signed) FREDERIC ROGERS.

The Right Hon. E. Hammond,
&c. &c. &c.

Inclosure in No. 8.

Governor Sir Arthur Kennedy, C.B., to Sir Frederic Rogers, Bart., K.C.M.G.

LONDON, *October* 14, 1869.

Sir,—Referring to your letter dated 4th October, requesting me to furnish Lord Granville with an adequate geographical description of the position and extent of the territory known as the Moriah and Samo country, in regard to which I propose that the French should be invited to cede their claims, I have the honour to state that the seaboard of these territories extends from the River Samo (See 'Ord's Outline Map') north of Sierra Leone, to the River Dembia, north of the Isles de Los, which are British territory, and occupied by us.

The map accompanying my Despatch on this subject points out the situation of the block-house, lately erected by the French. I have never been able to ascertain the extent of the French claims in this quarter, but I think they should be invited to abandon all claim to territory and rivers lying between the River Dembia (to the north of Isles de Los) and Sierra Leone.

If this proposition be acceded to, it would be quite unnecessary to indicate any inland boundaries.

The possession of any or all the rivers lying between the points I have indicated by any European power, would materially interfere with our commerce, and would render collisions very probable.

I have, &c.,
(Signed) A. E. KENNEDY.

Sir Frederic Rogers, Bart.,
&c. &c. &c.

No. 9.

Arthur Otway, Esq., M.P., to the Under Secretary of State for the Colonies.

FOREIGN OFFICE, *October* 23, 1869.

Sir,—I have laid before the Earl of Clarendon your letter of the 4th instant, inclosing a report from the Governor of Sierra Leone, upon the proposed exchange of territory with the French on the West African Coast, and suggesting that the best arrangement would be to cede them the British settlement on the Gambia, on condition of their consenting to the establishment of a boundary north of Sierra Leone, embracing the Samo and Moriah country, beyond which they would undertake not to exercise any rights or influence; and also your letter of the 21st instant, with the copy of a further letter from Sir A. Kennedy on the same subject.

In reply, I am to request that you will state to Earl Granville that Lord Clarendon desires to defer entirely to the opinion of the Colonial Office regarding questions of this nature which come more within the province of that Department, and of which their sources of information must necessarily render them the best judges; and I am to add that, when the proposals which Earl Granville desires should be made are sufficiently matured and communicated to this Office, Lord Clarendon will be happy to submit them to the consideration of the French Government.

I am, &c.,
(Signed) ARTHUR OTWAY.

The Under Secretary of State,
Colonial Office.

No. 10.

Sir F. R. Sandford to Arthur Otway, Esq., M.P.

DOWNING STREET, *November* 10, 1869.

Sir,—I am directed by Earl Granville to acknowledge the receipt of your letter of the 23rd ultimo, regarding the proposed exchange of territory with the French on the West Coast of Africa, in which you intimate the readiness of the Earl of Clarendon to submit to the consideration of the French Government any definite proposals which Lord Granville may desire to make.

It appears to his Lordship that the proposals might be as follows:—

1. That Her Majesty's Government (with consent of Parliament) should cede absolutely to the French all its sovereign and territorial rights on the river Gambia, and should not acquire or retain any sovereignty, or exercise political influence over any native tribes adjacent to any river in North Africa which falls into the sea to the north of the mouth of the river Dembia.

2. That the claims of the English Government in, or in the neighbourhood ot the island of Bulama, being contested by the Portuguese, and now under reference to the United States for arbitration, Her Majesty's Government will cede to France such rights as may be accepted by them in satisfaction of these claims.

3. That the French Government will not acquire or retain any sovereignty, or exercise any political influence in respect of the natives dwelling in the neighbourhood of any branch or tributary of the Dembia river, or of any river falling into the sea between that river and the river Shebar inclusive.

4. That this treaty will not prevent either the English Government from enforcing redress for injuries from natives not being subjects of the French Government north or east of the river Dembia, provided application for redress is first made ineffectually to the French Government, nor the French Government from enforcing the like redress, under the like conditions, from natives not being subjects of the English Government to the south and west of the Dembia.

If Lord Clarendon concurs in these proposals, I am to request that you will move his Lordship to submit them to the French Government.

I am, &c.,

(Signed) F. R. SANDFORD.

Arthur Otway, Esq., M.P.

No. 11.

Thomas F. Quin, Esq., to the Earl Granville, K.G.

44 LUDGATE HILL, LONDON, E.C., *January* 12, 1870

My Lord,—I trust your Lordship will not consider me as obtruding on your valuable time by asking a question respecting a matter which very deeply interests myself, fellow Colonists, and merchants in and out of Her Majesty's Settlements on the River Gambia.

It is currently reported on the West Coast of Africa, in London, Liverpool, and in the principal commercial cities of France, that it is the intention of Her Majesty's Government to hand over the River Gambia to the French. I have, therefore, as one deeply interested, having relatives born there, who are now living there, after having been brought up and educated in this country, as one who has a young family now being educated here in England with the view of returning to the Gambia, where they were born, and where their future prospects lie, as one having a large capital at stake there, most respectfully to ask your Lordship on the part of myself and the British community in the Gambia, if Her Majesty's Government really intend to transfer us to the French.

Of course we are well aware that if Her Majesty's Government are resolved to transfer us we cannot resist; and although none of us desire to change our nationality, and although we all look upon such a change with horror, still we cannot avoid hoping that such a report is unfounded; but be that as it may, it would relieve our minds very much if your Lordship would intimate whether this rumour be well founded or not.

Some, if not all of us, would like to move our *lares et penates* beforehand if the change is to take place, and if it is not, we should feel thankful to know that these sinister reports which have now prevailed for some time are unfounded.

I am authorised to state, as a fact, that the French residents and merchants are as much opposed to a transfer as we are.

I have, &c.,

(Signed) THOMAS F. QUIN.

To the Right Hon. Earl Granville, K.G.
Her Majesty's Principal Secretary of State for the
Colonies,
&c. &c. &c.

No. 12.

Sir Frederic Rogers, Bart., K.C.M.G., to Thos. Quin, Esq.

DOWNING STREET, *February* 3, 1870.

Sir,—I am directed by Earl Granville to acknowledge the receipt of your letter of the 12th ultimo, inquiring whether it is the intention of Her Majesty's Government to transfer the Gambia to the French Government; and I am to acquaint you, in reply, that his Lordship is not able at present to give any definite answer to your question, but that in no case could such an arrangement take place without the intervention of Parliament.

I am, &c.,
(Signed) FREDERIC ROGERS.

Thomas Quin, Esq.

No. 13.

The Earl Granville, K.G., to Governor Sir Arthur Kennedy, C.B.

DOWNING STREET, *February* 21, 1870.

(Confidential.)

Sir,—I have to request that you will report to me whether any serious reluctance to the transfer of the Gambia to the French is to be anticipated on the part of the natives, and what means you would recommend in order to overcome that reluctance if it should appear to exist.

I have, &c.,
(Signed) GRANVILLE.

Governor Sir A. E. Kennedy, C.B.,
&c. &c. &c.

No. 14.

The Earl of Clarendon, K.G., to the Lord Lyons.

FOREIGN OFFICE, *February* 11, 1870.

My Lord,—I have to acquaint your Excellency that in the month of March 1866, I received a communication from the

French Ambassador at this Court, containing proposals from the Imperial Government for an exchange of certain territories belonging to the two Crowns respectively, on the West Coast of Africa.

It was suggested on the part of the French Government, that Her Majesty's Government should cede to France the Settlement and territories belonging to the British Crown on the river Gambia, in return for which France proposed to surrender to this country the French posts of Grand Bassam, Dabon, and Assinie situated on what is called the Ivory Coast; and the ground for making this proposal was stated to be, that French trade on the West Coast had of late years increased on that portion of the coast lying between the Senegal and Gambia rivers, whilst British trade, on the other hand, was represented to be increasing to the southward of Sierra Leone, and it was suggested, therefore, that an exchange by which France should acquire additional advantages for trading purposes to the north, and Great Britain to the south of Sierra Leone, would be for the mutual advantage of the two countries.

This proposal was submitted for the consideration of the Colonial Department, but before sufficient time had elapsed to enable Her Majesty's Government to ascertain by inquiries on the Coast what would be the effect of the proposed exchange, a fresh proposal was received from the Imperial Government, to the effect that the French Settlements on the river Gaboon might possibly be more acceptable to Her Majesty's Government than the Ivory Coast establishments, and proposing, therefore, to exchange the Gaboon Settlements against the Gambia.

On mature consideration, however, Her Majesty's Government did not think it advisable to entertain the French proposals, and the French Ambassador was informed accordingly in a note addressed to his Excellency on the 22nd May, 1868, and the question has not again been raised.

Events, however, have since occurred which might make it advisable for Her Majesty's Government, and the Government of the Emperor of the French, to come to an understanding with regard to their territorial interests on the West Coast of Africa.

Your Excellency is aware that the French have within the last three years established posts immediately to the north of Sierra Leone, in the countries watered by the Mellicourie and Fouricaria rivers, and they have also established, or are about to establish, Custom-houses in the countries which they have

taken under their protection; and they have also levied dues on British vessels engaged in trade with some of those places.

Lord Stanley pointed out to your Excellency, in his Despatch of this series of the 3rd December, 1867, that these proceedings were prejudicial to the interests of the neighbouring British Colony, as by the Treaties concluded with the Chiefs of Fouricaria on the 10th June, 1861, and with the Chiefs of Samo and Morycariah on the 20th May, 1845, free and unrestricted intercourse for trade and commerce, and for all other legitimate purposes in and throughout the countries adjacent to and bordering on the Fouricaria and Mellicourie rivers, were guaranteed to British subjects in consideration of annual payments made by the British Government.

With a view, therefore, to obviate any further discussions upon these points, Her Majesty's Government now desire to submit through your Excellency the following proposals for the consideration of the French Government:—

1. That Her Majesty's Government (with the consent of Parliament and of the natives) should cede absolutely to the French all its sovereign and territorial rights on the River Gambia, and should not acquire or retain any sovereignty, or exercise political influence over any native tribes adjacent to any river in North Africa, which falls into the sea to the north of the River Dembia.

2. That as the claims of the English Government in or in the neighbourhood of the Island of Bulama are contested by the Portuguese, and are now under reference to the United States for arbitration, Her Majesty's Government can only promise to cede to France such rights as they may acquire resulting from the arbitration in question.

3. That the French Government will not acquire or retain any sovereignty, or exercise any political influence in respect to the natives dwelling in the neighbourhood of any branch or tributary of the Dembia River, or of any river falling into the sea between that river and the River Shebar inclusive.

4. That this engagement will not prevent either the English Government from enforcing redress for injuries from natives, not being subjects of the French Government north or east of the River Dembia, provided application for redress is first made ineffectually to the French Government, nor the French Government from enforcing the like redress under the like conditions, from natives not being subjects of the English Government to the south and west of the Dembia.

Your Excellency will ascertain and report to me the views of the French Government upon these proposals, which, however, cannot be considered as finally matured until they have been sanctioned by Parliament, and until the feelings of the natives have been consulted upon the proposed change of sovereignty.

I inclose a printed copy of all the former Papers which are necessary for your Excellency's full information upon this question.

I am, &c.,

(Signed) CLARENDON.

His Excellency the Lord Lyons, G.C.B.,
&c. &c. &c.

No. 15.

Governor Sir Arthur Kennedy, C.B., to the Earl Granville, K.G.

GOVERNMENT HOUSE, SIERRA LEONE, *March* 29, 1870.

(Confidential. Gambia.)

My Lord,—Your Lordship's confidential Despatch, dated 21st February, 1870, requesting that I will report whether any serious reluctance is to be anticipated on the part of the natives to the transfer of the Gambia to the French, only reached me this day, owing to my absence from the Settlement on the arrival of the mail of the 12th of March.

Though your Lordship does not make the same inquiry regarding Europeans, I shall begin by stating my opinion with regard to them.

There are five English and four French mercantile establishments at the Gambia. The total number of Europeans not exceeding 50.

I believe that the transfer would be far from popular with the French residents, who greatly prefer carrying on business under British rather than French rule.

Of the British traders, I believe that none are in a prosperous condition, and that some are on the eve of winding up, and retiring from a business no longer profitable.

The table of imports and exports, published (in the 'Gazette' herewith), for 1869, will show the value and character of the trade at present carried on.

The subject of transfer has been discussed at the Gambia, and, as far as I can learn, with the result that the interest taken in it by the British merchants extends only to the prospect of being bought out of their at present unprofitable business and investments.

There has been a falling off in the revenue of the Settlement for 1869 amounting to 5,000*l.* or 6,000*l.*, or one-fourth of the whole revenue,—a sufficient indication of the unprofitable character of business.

The native population is mixed, and in number about 4,000. They have no strong, united, or national feeling, such as obtains elsewhere on the coast; and I do not believe that any serious reluctance or opposition would be offered by them on learning the equitable and safe terms which would of course be agreed upon as regards their rights and property.

If the French Government can obtain, or count upon, the co-operation and sympathy of the French *residents* at the Gambia, I do not apprehend the slightest difficulty in the transfer; and I think this is the first and most important fact to be ascertained, and the first step to be taken, as a coalition between them and the few British traders would strengthen the hands of both if they were disposed to offer resistance to the transfer.

The natives are docile, and would be easily influenced if their rights and property were previously guaranteed.

Some of the strongest arguments in favour of the proposed transfer of the Settlement at the Gambia are to be found in a recent letter addressed to your Lordship signed by the principal merchants at the Gambia, dated 13th August, 1869 (wherein the 'four French' merchants do *not* join), to which I would beg to refer your Lordship.

Your Lordship will observe it is there stated that the combined Civil and Military expenditure of the Settlement amounts to 40,000*l.* a year; and your Lordship will further learn, from the accompanying 'Gazette,' that the total imports for 1869 amounted to 94,000*l.* only.

I shall, in the ordinary course of duty, probably visit the Gambia as soon as more pressing business will permit; but should your Lordship deem it advisable, I shall proceed there as soon as I receive instructions to do so.

I have, &c.,

(Signed) A. E. KENNEDY, *Governor-in-Chief.*

The Right Hon. Earl Granville, K.G.,

&c. &c. &c.

No. 16.

Governor Sir Arthur Kennedy, C.B., to the Earl Granville, K.G.

GOVERNMENT HOUSE, SIERRA LEONE, *April* 19, 1870.

(No. 17. Gambia.)

My Lord,—1. In the belief that detailed information in regard to the Settlement of the Gambia may be useful to your Lordship, I have directed my attention to that subject, and have now the honour to submit the following facts which, if not strictly accurate, are sufficiently so for all general purposes.

2. A statement of revenue and expenditure for 1869 (herewith) shows a deficit of 4,718*l.* (which is fortunately provided for in the general balance remaining in the Colonial chest), and further exhibits a falling off to the extent of 5,000*l.* from the previous year's revenue.

3. I believe there will be a still further falling off in the revenue for 1870.

4. I have adverted to and anticipated this falling off in former Despatches.

5. I transmit herewith a copy of the 'Government Gazette' exhibiting the imports and exports of the Settlement for the year 1869.

6. Your Lordship will observe that the value of imports amounts to 94,207*l.*, of which Great Britain contributes but one-half.

7. The exports amount to the value of 91,000*l.*, of which only 20,000*l.*, or about one-fifth, is exported to Great Britain.

8. The shipping still more clearly demonstrates the nationality of the trade of the Settlement.

9. A total of 188 ships which entered in 1869 shows only 34 entered from Great Britain, 21 being direct from France and 90 from Senegal and Goree, the balance being from Leeward Coast, America, and West Indies.

10. It is further important to observe that of the 34 entered from Great Britain 20 were mail steamers, subsidised to call at the port, whose aggregate tonnage was 15,700 tons.

11. Deducting these 13 vessels from the total of 34, would leave the tonnage thus, 13 vessels from Great Britain, representing 3,286 tons, against 111 French vessels with a tonnage of 11,495 tons.

12. Of a total of 198 vessels which cleared from the port of Bathurst in 1869, 39 went to Great Britain and 110 to France;

of the 39 to Great Britain, 19 were the subsidised mail steamers.

13. I need not trouble your Lordship with my deductions from these figures and facts.

14. If it be decided to negotiate with France for the transfer of this Settlement, the following information may be acceptable to your Lordship:—

15. There are four English commercial houses, two of which are conducted by resident principals, and two by agents. All are restricting their business, and one about to withdraw altogether.

16. There are four French houses who are, on the contrary, extending their business, investing in and improving business premises. They have, in this respect, already invested as much as the English.

17. I need not account for these facts in detail; suffice it to say the trade by barter, from which the English trader derived his profit, is in rapid process of being superseded by cash transactions of the French trader.

18. This change must necessitate the entire recasting of the fiscal arrangements of the Settlement, which must be soon looked to.

19. The bulk of the revenue has been hitherto derived from imports, which is now superseded (or about to be) by cash, which is not spent in the Settlement.

20. Your Lordship will thus observe that the character of the trade has wholly changed within a few years.

21. An analysis of the transactions of the English and French houses respectively leads to the following conclusions:—

22. The struggle between English and French traders in the Settlement must, in my opinion, ere long, result in the ruin or retirement of the former.

23. I believe the amount of capital at present employed by the French considerably exceeds that of the English.

24. I am of opinion that the rumoured transfer would not be regarded with disfavour by the English population.

25. I need not stop to account for the falling off of the revenue. Derived as it is from the growth of ground-nuts, it must ever be fluctuating and precarious. Ground-nuts are now grown in the Southern States of America, a dangerous competitor of the Gambia.

26. There cannot be a more favourable time for negotiation, if Her Majesty's Government decide upon retiring from the

Gambia. A year hence the 'consideration' will bear a very different aspect.

27. The withdrawal of the troops will entail an increased charge for the police upon a decreasing revenue.

28. At present all the advantages derived from the Settlement are enjoyed by the French, while the responsibility of its maintenance devolves upon Great Britain, the French trade contributing little or nothing towards its expenditure or protection, and the French houses settled there fully appreciate this (to them desirable) state of things.

29. Any opposition which would probably be offered would be the noise made by a few persons locally interested to enhance the value of their property.

30. I trust I am not trespassing on your Lordship's patience by alluding to geographical considerations.

31. The rivers Gambia and Senegal run nearly parallel to each other; the former, navigable for 300 miles, and nearly uniting at their sources, would give the French a valuable and cheap means of controlling the territory lying between them, which is valueless to us.

32. The turbulent and fanatical population in the interior can never be civilised by, and must always be a source of disquiet to, Great Britain.

33. I have purposely avoided repetition of what I have before written on this subject, and will wait your Lordship's direction before I again write upon it; but something must be speedily done if the Settlement of the Gambia is not again to become a charge upon Imperial funds.

I have, &c.,

(Signed) A. E. KENNEDY, *Governor-in-Chief.*

The Right Hon. Earl Granville, K.G.,

&c. &c. &c.

EXERCISE IX.

Correspondence respecting the Imprisonment of Mr. Worth by the Prussians.

No. 1.

Earl Granville to Mr. Odo Russell.

FOREIGN OFFICE, *November* 12, 1870.

Sir,—I transmit to you herewith copies of correspondence received from the friends of Mr. Worth, a British subject, who left Paris in a balloon. and has been captured at Verdun and sent to the Prussian head-quarters at Versailles, from whence, according to the telegram from Colonel Walker, also inclosed, he is to be sent to Prussia with other persons who have left Paris in an unauthorised manner.

Assuming that Mr. Worth has not compromised his character as a non-combatant, and that he accompanied the French courier in the balloon for no other purpose than to effect his escape from the seat of war, Her Majesty's Government think that he should be allowed the immunity of a non-combatant. I have therefore to request that you will take any opportunity which may offer to intercede in Mr. Worth's favour, and to express a hope that, in case he is able to satisfy the German military authorities that he was a *boná fide* passenger, without any unneutral object in view, the intention of sending him to Prussia will be abandoned, and that he will be set at liberty, if not at once, at all events after such reasonable detention as may be necessary on military considerations to prevent the disclosure of any discovery which he may have made in passing over the German lines.

I am, &c.

(Signed) GRANVILLE.

No. 2.

Colonel Walker to Earl Granville.—(*Received November* 14.)

VERSAILLES, *November* 8, 1870.

(Extract.)

Late yesterday I was informed that an English subject named Worth was in prison in Versailles, being one of three persons who were captured a week ago in a balloon near Verdun. As soon as I had despatched my business this morning I visited the prison, where I found in a solitary cell a young man of this name, who informed me of the circumstances of his capture, which are contained in the accompanying letter, which I have the honour to request, after perusal, may be forwarded as directed to his mother. I had enough conversation with him to satisfy myself that there were no discrepancies in his story; but beyond sanctioning a supply of proper food and other comforts to him, as he informed me that his own funds were completely exhausted, I have taken no steps for his release, as I am desirous before doing so of obtaining the advice of Mr. Wodehouse, who, though hourly expected, has not yet made his appearance at Versailles. Mr. Worth informed me that he was, in the first instance, to have come out of Paris on the 27th, with the party expected on that day, but that becoming impatient at the delay he engaged a place in this balloon, for which he paid 100*l.*

I have just received your Lordship's telegram of yesterday evening respecting Mr. Worth, and shall now take such steps as I may find possible, and telegraph to the Foreign Office in the course of the day, further reporting my proceedings by letter. I cannot forward Mr. Worth's letter to his mother; it has not been returned to me from the Office of the Staff of the Third Army, but I have been informed verbally that it has been 'provided for.' Mrs. Worth's direction is 11 Sandfield Place, Lewisham, and I think it might be as well to inquire whether she receives the letter, and when.

No. 3.

Colonel Walker to Earl Granville.—(Received November 14.)

VERSAILLES, *November* 9, 1870.

(Extract.)

In continuance of my Despatch of 8th September, I have the honour to forward to your Lordship Mr. Worth's letter to his mother, which has been returned to me, there being no reason to hinder 'the forwarding of the inclosed letter to its address.' The perusal of this letter will save me a world of trouble and loss of time. I, this morning, with full permission of the Prussian authorities, again saw Mr. Worth in prison, and afterwards waited on the Commandant of Versailles and the Chief of the Staff of the Third Army, who informed me that, as I have just had the honour of telegraphing to your Lordship, he will, like all persons who attempt to pass the Prussian outposts without permission, whether by land, water or air, be deported to Prussia under suspicion of being a French spy. It will, therefore, be in the power of Lord Augustus Loftus to take further steps for his release, if considered advisable. I shall continue to furnish him with some small comforts, and advance him a little money on public account, which he has promised shall be repaid to Her Majesty's Treasury. His place of business is 110 Cannon Street, London.

I, yesterday afternoon, again visited Mr. Worth in prison. In view of his contemplated deportation to Germany, I have sanctioned his procuring some warm clothing, a second pair of boots, and a change or two of linen. He appears to be a respectable and intelligent young man, and has answered all my questions with readiness and apparent frankness. I answer for no one, not even for myself at times; but he certainly has not made the impression on me that he has anything to do with politics whatever. If he is a French spy, he is a very clever one; but up to the present time I have every reason to believe that he is just what he represents himself to be. He tells me that he is in business at 110 Cannon Street; that his mother lives at the address forwarded yesterday, and which I am now going to telegraph to your Lordship. He says, further, that if he had not been anxious to get back to his mother and to his business, he would have remained in Paris, as he said himself, 'just to see the affair out.' He further tells me that meat was getting short before he left, on the 27th October, and

that he does not believe that Paris can hold out after the end of this month. He does not appear to have been subjected to any examination since his arrival here, beyond the search of his person by a policeman; and had it not been for a fortunate accident I should not have learnt that he was in prison until the receipt of your Lordship's telegram yesterday morning. I have been very careful, both with the Chief of the Staff of the Third Army and the Commandant, to make no remark as to my opinion of the justice or injustice of his treatment. He may be what they assume him to be; and as his papers have been taken from him, and are in the hands of Count Moltke, as I was informed by the Commandant, I have no other means of verifying the truth or falsehood of his statements to me than my habit of dealing with men, and his tone and manner while conversing with me.

Inclosure in No. 3.

Letter from Mr. Worth to his Mother.

THE PRISON, VERSAILLES, *November* 5, 1870.

On Thursday, October 27, I left Paris by balloon, in company with three others. We left with a north-east wind, which would have carried us into Belgium, but the wind changing to direct east, we were carried on to the Prussian lines.

We left Paris at 2 o'clock in the afternoon, and as at half-past 4 it was almost dark, we were obliged to come down to earth. Just as we emerged from the clouds at about 250 yards from the ground, we were welcomed by a shower of Prussian bullets, some of which pierced the balloon, and in order to avoid being hit we were obliged to come down at a tremendous force. When we touched the ground there was, of course, a terrible shock. I, fortunately, did not lose my presence of mind, and held on by the cords, so that I did not feel it so much. In jumping from the balloon, however, I was thrown some thirty feet into the air, and fell all of a heap, without being hurt in the least. Two others jumped after me (M. Adin and M. Cuzon) neither of them hurt. The fourth, however, lost his presence of mind—a M. Mauciare—and did not follow our example, so that he was carried away in the balloon. During all this, which only occupied some seconds, the Prussians still contin ed their firing, and it is only by a miracle that we escaped. On waving a handkerchief, however, they at last ceased, and we were made

prisoners. We fell just outside Verdun, which is still being defended by the French. From Verdun we have been brought to Versailles (it has taken us eight days to get here), and, although prisoners, we have been well treated. As none of us have any political mission, it is possible they may give us our liberty in a few days; but there is just a probability of our being sent into Germany as prisoners of war; in the latter event you will not hear from me for some time. The reason for my leaving by balloon was, that I wanted to get home and to my business.

No. 4.

Lord A. Loftus to Earl Granville.—(Received November 14.)

BERLIN, *November* 12, 1870.

(Extract.)

On the receipt of your Lordship's Despatch of the 9th instant I instructed Mr. Dering to call on Baron Thile to inquire whether he had received any information on the subject of the arrest and detention of a British subject named Worth, who had descended in a balloon within the Prussian lines, and had been made prisoner.

Baron Thile stated that he had received no information on the subject, but that he would immediately make the necessary inquiries.

On seeing Baron Thile to-day I informed him of the substance of your Lordship's second telegram, stating that Colonel Walker had seen Mr. Worth, and that he was to be sent to Prussia like others who had escaped from Paris in an unauthorised manner.

I observed to Baron Thile that I could not understand on what grounds a British subject descending in a balloon should be subjected to arrest and detention.

Baron Thile replied that he had received no information on the subject, but he said it was probable that there were other grounds for his detention, and he presumed that papers had been found on his person of a compromising character.

With regard to Mr. Worth I observed that his escape by a balloon was an incident of so novel a character that it was quite beyond the existing provisions of the laws of war, but that I could not conceive it possible that a neutral subject could be

arrested for the mere fact of descending in a balloon at a place where he had evidently not intended to alight.

Baron Thile promised to bring the subject before Count Bismarck.

No. 5.

Colonel Walker to Earl Granville.—(*Received November* 22.)

VERSAILLES, *November* 19, 1870.

(Extract.)

I have now lying before me your Lordship's telegraphic message dated 18th November, 3.17 P.M., received at midnight, and have the honour to report that I have just replied to your Lordship in the following words :—

'Prussian authorities made no offer to liberate Worth on my guarantee; I therefore could never have refused.

'The statement of 'Times' correspondent is, in this respect, utterly devoid of truth. Worth, as I have reported to London and Berlin, has been sent to Germany. I hear now to Cologne. Minden was first named, for which Meudon has probably been mistaken. I request further particulars.'

Your Lordship must by this time be in possession of full particulars respecting Mr. Worth, as contained in my Despatches dated respectively 8th, 9th, and 14th November. I cannot understand how my letter of the 14th failed to reach your Lordship as soon as the 'Times' correspondent's of the same date reached his employers. The persons with whom I communicated respecting Mr. Worth were Lieutenant-General von Blumenthal, Chief of the Staff of the Third Army, whose answer to me on my first application respecting Mr. Worth was conveyed to your Lordship both by telegraph and Despatch, the Commandant of Versailles, Major-General von Voigtz Rhetz, and his Adjutant, and with no other person whatever.

Considering the frank and open manner in which these officers intimated to me that there was no opening for a favourable hearing of any request for Mr. Worth's release, I did not consider myself justified (in default of any instruction from your Lordship) in embarrassing Her Majesty's Government by demanding what would have inevitably been refused.

Mr. Wodehouse, who is a member of the Diplomatic Corps, which I am not, and whom I gladly consulted in this matter, was, unless I completely misunderstood him, of the same opinion

as myself. Mr. Wodehouse did not leave Versailles till eight hours after Worth's departure. Since Mr. Worth's removal, which took place early on the 14th instant, I have written three times to inform Lord Augustus Loftus—first, that he had started for Germany; secondly, that (as I was informed) he had been sent to Minden; and yesterday, that Cologne, and not Minden, was his destination. As the post travels very much quicker than trains with prisoners, I did not consider it advisable to draw more attention than was necessary to the fact of my having moved Lord Augustus Loftus in this matter by telegraphing.

As your Lordship's telegraphic message contains all I know in this matter, it would be premature in me to take any immediate steps in denying a report which is as mischievous as it is false. I have, however, the fullest confidence that, on receipt of my telegram of this morning, which was at once ordered to be forwarded by Lieutenant-General von Blumenthal, your Lordship will take the measures necessary for its repudiation.

No. 6.

Mr. Littlewood to Earl Granville.—(Received December 2.)

110 CANNON STREET, LONDON, *December* 2, 1870.

My Lord,—I beg to thank you sincerely for the kind reception given to the deputation on Wednesday last, also for the interest taken in this painful case, and now beg to hand your Lordship an exact copy of a letter received from Mr. Frederick Gonner Worth, an English subject, in the prison at Cologne; the original has been read by Mr. R. W. Crawfurd, M.P., also by Mr. H. W. Peek, M.P.

Your Lordship will doubtless perceive the reason why Mr. Worth left Paris, together with his sole object.

I may here remark that the only statement that has appeared at all implicating this unfortunate Englishman is to be found in a letter written by a German surgeon at Epernay, under date of the 2nd of November, which I forwarded to Mr. Odo Russell for perusal, the correctness of which I am unable to vouch, but it certainly was not written by Mr. Worth.

Trusting soon to receive authority to see Mr. Worth,

I have, &c.,

(Signed) HENRY BUCKNALL LITTLEWOOD.

Inclosure in No. 6.

Mr. Worth to Mr. Littlewood.

COLOGNE PRISON, *November* 29, 1870.

My dear Littlewood,—In the several letters that I had written to my mother informing her of my balloon adventure, I requested her to send you all the details. These details I presume that you have by this time received, and you will therefore know how it is that I happen to be a prisoner in the hands of the Germans. It is a droll affair altogether; is it not? Had I known before I engaged my place in a balloon that the foreigners would have to leave Paris, I should of course have left with Mr. Wodehouse, of the British Embassy, who left some few days after I did. I made several inquiries, but I was informed 'that if foreigners were in a besieged city so much the worse for them.' They could not get out; and as my family reasons, as you know, were sufficiently pressing to induce me to get away, I tried the balloon trip.

My dear fellow, I shall never, I am sure, be able to thank you sufficiently for all the trouble you have taken, and the annoyance and anxiety I, without doubt, have caused you, must have been something terrible. Think of your coming to Cologne to see after me, and bringing me clothing, &c. My dear boy, I must leave all my thanks till the moment when I can express them personally. I have not enough paper. You can't imagine how sorry I was not to be allowed to see you here.

There are certain formalities to be gone through, but I hope in the course of a few days to be free. I certainly see no reason why I should not be. Although a prisoner, I am tolerably comfortable and in excellent health; so please don't be anxious about me in that respect. My poor father is, I trust, well bodily. I am sure you see that he is comfortable, and has all that is necessary. My affairs will, I hope, hold over until my return. I am sure you will make them do so.

I don't write too many letters, as they have to be read by the officials here, and I don't want to give them too much trouble. Thank Dean for his note, and give him my kindest regards, as well as to any others who inquire. I can be written to here, but the letters must be addressed to the care of the Governor of Cologne. It will be necessary to mention on the envelopes that I am a balloon prisoner and an English subject.

Give my kindest regards to your wife, and, hoping soon to see you, believe me, &c.

(Signed) F. G. WORTH.

No. 7.

Mr. Littlewood to Earl Granville.—(Received December 8.)

110 CANNON STREET, LONDON, *December* 7, 1870.

My Lord,—I confirm my letter of the 2nd instant, and thank your Lordship for your acknowledgment thereof.

My object has been throughout this case to prove that Mr. Frederick Gonner Worth is entirely innocent of any political mission. This would plainly appear by the letter Mr. Worth wrote to me (a copy of which I forwarded to your Lordship on the 2nd instant), under date of the 29th ultimo. I now send your Lordship another letter, written to Mrs. Worth, which has been inserted in the daily papers, and from which you will find that no doubt possibly can exist as to his reason for leaving Paris. The letter, I believe, is from Colonel Walker, although printed 'Beauchamps Walker Colveill.' May I now beg that your Lordship will inform me when Mr. Worth is to be tried; also whether Mr. Worth's mother may be allowed to see him, as I need hardly mention that she is very anxious about him.

I regret to say that up to the present I have not received any authority to have an interview with him.

I am, &c.,

(Signed) HENRY BUCKNALL LITTLEWOOD.

Inclosure in No. 7.

THE IMPRISONED ENGLISHMAN.—Mrs. W. Worth presents her compliments to the editor, and will feel much obliged by his publishing the inclosed in Wednesday's paper, as her son is still in captivity. Having done nothing wrong, his detention causes her great anxiety and grief.

11 SANDFIELD PLACE, LEWISHAM, *December* 7, 1870.

VERSAILLES, *November* 28, 1870.

My dear Madame,—I fear, from the tone of your letter just received, that you have not received a letter written by your son, previously to his leaving Versailles, and which was to have been forwarded to you, as promised to me, by the Prussian military authorities. I hope that before this time he will have been placed in communication with you, as I understood from Mr. Odo Russell that a relation was about to leave England to meet him at Cologne. I communicated as rapidly as was permitted to me, both to London and Berlin, all particulars of his removal, which I first understood was to Minden, but afterwards learnt that he had gone to Cologne, and I only did not write to you because I felt sure that my news would be passed on from the Foreign Office. I heard of his having passed Epernay on his journey. I am glad you have mentioned in your postscript the statement contained in the letter of the correspondent of the 'Times' newspaper of the 18th, and repeated in a much more offensive manner on the authority of this person (which is quoted by the writer), in another paper of the same date, the 'Manchester Guardian.' The statement is totally devoid of truth, as stated by me, in answer to a question from Her Majesty's Government. Further than this, I applied non-officially as soon as I became aware of your son's captivity, and was told that no interference in a matter of this nature would be endured. This being the case, I did not subject the English Government to a refusal, which would have been as embarrassing as it was certain. I have been so long in Prussia that I have acquired a certain standing here, and at any rate know pretty well when I can or cannot push a difficult point; and I can only assure you that in this instance I felt compelled to confine my efforts to procuring your son comforts in prison and the means of writing to his friends. The letters have, in all probability, never been forwarded, but for this I am in no way answerable. I was not allowed to take charge of them, and I can do nothing secretly. Your son was visited by me every day, with the exception of one, when I asked my assistant, Captain Hozier, to take him some newspapers, as I was too busy to be able to get to the prison in visiting hours. This is the visit of which the newspapers have made so much capital for Captain Hozier, who never visited your son but in my company, or at my desire. Your son was furnished by me with as many newspapers as I could spare to him, and had my permission to order what food he pleased and a fair quantity of wine and

cigars, as I did not consider it fair or right to confine him to prison diet.

My visits to him were not confined to seeing that he was still alive, as I invariably gave him as long a time as I could spare from my other duties. Before his departure I took care that he was provided with such clothes as he wished, including a great-coat; and I advanced him 100 francs for his expenses on the road, from a fund at my disposal. He wrote me two most grateful letters the evening before his departure, which I much regret not having kept, as I should certainly have asked you to publish them. They were so truthfully worded, that I handed them to the Prussian authorities as an additional proof of my assertion, that, however imprudent in the mode of exit from Paris, and whoever his companions may have been, your son was simply a young Englishman in business, who was anxious to get home to his mother and to his affairs. I regret to be obliged to appear egotistical; but, in justice to myself, I cannot allow you to remain in ignorance of the truth, and you are perfectly at liberty to make any use you please of this letter. I beg you to be assured of my deep and warmest sympathy, and to believe me, &c.,

(Signed) BEAUCHAMPS WALKER COLVEILL. [*Sic.*]

To Mrs. Worth.

No. 8.

Mr. Otway to Mr. Littlewood.

FOREIGN OFFICE, *December* 9, 1870.

Sir,—I am directed by Earl Granville to acknowledge the receipt of your letter of the 7th instant, relative to the case of Mr. Worth.

Lord Granville has received a Despatch from Mr. Odo Russell, stating that Colonel Walker, who left nothing undone to assist Mr. Worth while at Versailles, is now in communication with Her Majesty's Ambassador at Berlin to endeavour to obtain his release.

Mr. Russell adds that he will not fail to speak to the proper authorities in Mr. Worth's behalf, if he finds that anything further can be done for him at Versailles.

I am, &c.,

(Signed) ARTHUR OTWAY.

No. 9.

Lord A. Loftus to Earl Granville.—(Received December 12.)

BERLIN, *December* 10, 1870.

My Lord,—I have the honour to inclose to your Lordship herewith copy of a letter which I have received from Mr. Harriss-Gastrell on the detention at Cologne, under military arrest, of Mr. Worth.

Mr. Harriss-Gastrell states that Mr. Worth's trial will probably not come on for three or four weeks.

He has made arrangements for his being properly defended by counsel, but he had not received permission to see or confer with him.

As there is no use in Mr. Harriss-Gastrell's remaining at Cologne he will return here immediately, but he can repair again to Cologne when the trial comes on if there should be any necessity for him to do so.

I am inclined to think that the military authorities at Cologne have greatly exaggerated the nature of the charges to be brought against Mr. Worth, and the severity of the sentence to which he is liable. To calm the apprehensions of his relatives in England, should similar reports have reached them, I may confidently assure your Lordship that no sentence pronounced against him by the court-martial will be carried into effect without being previously referred to His Majesty the King of Prussia, in whose leniency they may place full confidence.

I have, &c.,
(Signed) AUGUSTUS LOFTUS.

Inclosure 1 in No. 9.

Mr. Harriss-Gastrell to Lord A. Loftus.

COLOGNE, *December* 7, 1870.

(Extract.)

I have the honour to make to your Lordship the following report upon the case of Mr. Worth, into which I have, in conformity with your instructions, made every inquiry which is possible at its present stage.

I was met at the outset by an apparent resolve of the military authorities to hold no communication with me respecting

this case, but this attitude was quickly changed into an attitude indicative of a courteous desire to meet my wish for information on various points, so far as such a concession could be carried without encroaching upon necessary official reticence. The Governor of Cologne, General von Falkenberg, to whom I presented my letter from the Secretary of State, Baron Thile, granted me interviews in which both his Excellency and his Adjutant, Captain von Altenbrück, showed me much courtesy.

In prosecuting my inquiries I specially directed my attention to the treatment of Mr. Worth as a prisoner of war under arrest, to the charges against him, and to the facilities of defence which he could receive.

Mr. Worth, who arrived in Cologne on the 25th ultimo, was not at first in as comfortable a position as he has latterly been. His Excellency the Governor informed me that he is now under arrest at the military prison in an officer's room of arrest, and that he is allowed to procure for himself everything which he requires. For this purpose, Mr. Pepys, of this city, has been allowed to supply him with money, amounting at present to 15*l.* sterling. He has been allowed freedom of letter-writing, and I am not aware that he has had reason to make any complaint of his treatment, which seems to be considerate, and so far alleviated, in comparison with the usual treatment of prisoners, as is compatible with the alleged nature of the case against him.

The preliminary investigation ('Untersuchung') does not seem to be yet finished. Indeed, some documents in the case of importance are said to have only just arrived in this city. The bill of indictment is not yet drawn up, for the specific charges to be made are not yet ascertained. But there will probably be two chief or only counts. Mr. Worth will be accused of the act of spying, and of the fact of being directly or indirectly an agent of the French Government.

As regards the first of these accusations, I pointed out that there was no precedent for holding that the mere passage of a man in a balloon at the sole direction of the wind over the lines of an army was an act of spying; and I urged that, if it were desirable to stretch the usual laws of war so as to include amongst acts of spying the escape of individuals in balloons from a beleaguered city, it would be necessary and just on investing a city to publish a warning to that effect. But, I added, in the case of Mr. Worth, I could see no sufficient and just reason for dealing with the fact alone of his escape from Paris

in a balloon as proof of an act of spying. The Governor acknowledged that there was diversity of opinion on that point, but he was personally of opinion that the act of escaping in an unauthorised manner from a beleaguered city did not constitute an act of spying. I admitted that, as persons passing over the lines of an army might obtain information which might be used by the enemy, there might exist good military reasons for detaining, with exclusion from all intercourse, such persons, until the information could no longer be useful; and I expressed the hope that this was the chief cause of the detention of Mr. Worth.

His Excellency did not confirm this hope, but stated his moral impression to be that, if there were only this first accusation against him, Mr. Worth would eventually be liberated.

As regards the second accusation, it is not clear on what grounds Mr. Worth can be charged with being an agent of the French Government. It appears that he and three Frenchmen (also in Cologne for trial) were captured, whilst a fourth Frenchman escaped in a balloon with the Despatches of the French Government. The aeronaut, who escaped, would have been the chief defendant. In his absence, it will probably be difficult to prove any complicity between him and the captured passengers of the balloon. Moreover, I cannot find that any compromising correspondence has been found upon Mr. Worth or his companions. If, therefore, this accusation be founded on no better grounds than are now visible, the case will resolve itself into the fact of Mr. Worth escaping in an unauthorised manner from a disagreeable residence and possible famine in Paris. But, although I have not yet obtained direct official confirmation of the fact of the existence of a letter compromising Mr. Worth as an agent of the French Government, either as principal or accessory, in procuring arms for the French army, various rumours in this city as to the existence of a compromising letter have now taken the form of the allegations that such a letter, referring to Mr. Worth as having given an address to a French agent for procuring arms in England, exists; that it has been laid by the prosecution before Mr. Worth, and that he has explained that he merely gave the address, like any other address, to a Frenchman who called at his place of business. I cannot say whether or not the rumour has any kernel of truth in a shell of fiction, but unless such a letter, supposing it to exist, contain only evidence of some proceeding as little reprehensible as giving an address out of a post-office directory, Mr. Worth may run great risk of being condemned to death by a court-martial.

I have further inquired as to what facilities Mr. Worth could obtain for his defence. It may still require several days to draw up the bill of indictment, but, as soon as the charges shall be formulated, they will be made known to him. A reasonable period—two or three weeks—will be granted to him for the preparation of his defence. He has permission to employ a lawyer, who will be allowed to consult with him. There is no appeal from the sentence of a court-martial, and the law permits the sentence to be carried out within twenty-four hours. I think it might be desirable that a longer delay between the passing and execution of the sentence should be beforehand secured on behalf of Mr. Worth, in consideration of his being a foreigner and at a distance from his friends. But although I begged the Governor to be kind enough, on the passing of any sentence upon Mr. Worth, to stay its execution till after an exchange of communications with the Government of his Prussian Majesty at Berlin, his Excellency stated that he could not, on his own responsibility, prolong the legal period, and could only defer the execution of the sentence during communications with Berlin or elsewhere in obedience to a direct order from the proper quarter.

Lastly, I have pressed upon the Governor my desire to be allowed to pay a visit to Mr. Worth. I have, however, failed in carrying my point. His Excellency declined to make, on his own responsibility, any exception in my favour to the rigid rule strictly carried out in all such cases. My reference to the fact of Colonel Walker having been permitted to visit Mr. Worth at Versailles was met by the counter fact that the Governor of Cologne was not responsible for relaxation of the legal rule in Versailles. When I pleaded that it would be a satisfaction to Mr. Worth's friends, a pleasant break to himself in a long imprisonment, and a favour to the Government of a friendly nation, if I were allowed to pay him a visit, his Excellency regretted much the impossibility of complying with my wish.

Your Lordship will observe that, in raising a little the veil of strict official secrecy. which had been firmly drawn between my inquiries and Mr. Worth's case, I have avoided any advocacy on behalf of Mr. Worth which might have even the appearance of defending a breach of the neutrality of England. I feel that, if there had been a certainty of only the first accusation being brought against Mr. Worth, I could have urged, on grounds of humanity, and in view of the lightness of his offence. his speedy liberation upon the Governor. But with such an accusation

still impending as the second, which might involve both a breach of the neutrality of his country and a question of life or death to himself, I feel that I could not advocate the early liberation of Mr. Worth. I contented myself with expressing the hope that no such a grave charge would be eventually preferred against him, and with urging that he should have as long a period as possible for preparing his defence. In my ignorance of the laws of war, and of the varieties of offence and penalty therein set forth, I did not feel myself competent to discuss the lightness or the gravity of the guilt which might attach to Mr. Worth as an agent of the French Government. But I am informed that to supply arms to or to aid in procuring arms for the enemy is an offence punishable with death, and an offence of an aggravated character when committed by a neutral.

I am addressing to Mr. Worth a letter, of which I beg to inclose a copy.

Inclosure 2 in No. 9.

Mr. Harriss-Gastrell to Mr. Worth.

HOTEL DU NORD, COLOGNE, *December* 8, 1870.

Sir,—I have been here a few days, and I have, so far as is possible, inquired on behalf of Her Majesty's Government into the circumstances of your case. I am glad to find, as was naturally to be expected, that the hardships of imprisonment have been alleviated for you by the considerateness of the Governor of Cologne, so far as such alleviations are not incompatible with the nature of your case.

I am informed that your trial will take place as soon as possible. The charges against you will, as soon as they are formulated, be made known to you. In order to prepare your defence you will be allowed a reasonable period—two or three weeks—after the accusation is made and before the trial begins. I have obtained permission for you to employ for your defence a lawyer, should you think it necessary or desirable. You will, of course, be allowed to consult with your lawyer during the period allotted to you for the preparation of your defence.

Whatever the charges against you may eventually be, you may rest assured that your case will be tried by the Prussian military authorities with impartiality and fairness, and with every due regard to your position as a civilian and a neutral; and whatever those charges may be, I sincerely hope you will

have a satisfactory defence, and will easily obtain your release from imprisonment.

As I am unable to remain in Cologne, I am begging Mr. Pepys to be so kind as to attend to any wish you may express in a letter to him, to employ a lawyer in your defence. I understand there are several competent lawyers here, who speak either French or English as well as German.

I regret that the law, as stated to be applicable to your case, does not allow the Governor of Cologne to give me permission to pay you a visit to tell you what I have now written. You are, however, at full liberty to write in open letters to me or to Her Majesty's Embassy in Berlin, and I should be obliged if you would avail yourself of it to acknowledge the receipt of this letter to me either here, where I remain till to-morrow (Friday) morning, or at Berlin.

I am, &c.
(Signed) J. P. HARRISS-GASTRELL.

No. 10.

Lord Kesteven to Mr. Hammond.—(Received December 12.)

CAVEWICK, STAMFORD, *December* 10, 1870.

Dear Sir,—I am greatly interested in the fate of the gentleman who is the subject of the inclosed memorial, as he is a native of this county, all the family and his relatives being well known to me, who are in the deepest anxiety about him ; and I trust that Her Majesty's Government will use every exertion to obtain his liberation from his prison at Cologne, as I am confident he has taken no part whatever in the war hostile to the North German army, his desire being simply to escape from Paris to look after his commercial affairs.

I am, &c.
(Signed) KESTEVEN.

Inclosure in No. 10.

Statement relative to the Imprisonment by the Prussian Authorities of Mr. Frederick Gonner Worth, a British Subject.

Mr. Frederick Gonner Worth is the junior partner in the firm of Messrs. Delattre and Worth, carrying on business in Cannon Street, London, and in Paris.

M. Delattre, the senior partner in the firm, is a Baron of France, and a French subject, and has hitherto managed that portion of the business which has been carried on in Paris.

Mr. Worth, who is the son of English parents, and himself a British subject, has managed that portion of the business which has been carried on in London.

Shortly before the investment of Paris M. Delattre, who had some years previously held a commission in the Imperial Guard, was ordered to join the National Guard, and he was enrolled accordingly. In this state of things Mr. Worth was compelled to leave London for Paris, with the intention of superintending the business of the firm there. He remained in Paris for some weeks after the investment, for the purpose of taking care of a somewhat extensive stock in trade, the property of the firm, which was then in the capital; at length fearing that his protracted absence would have the effect of injuring his business in London and elsewhere, and being especially desirous of returning to his mother, with whom he lived, and who is in delicate health, and of whom he is the only child.

Prior to the time when Mr. Wodehouse's party were granted permission to cross the Prussian lines, Mr. Worth made several inquiries with a view of obtaining permission to leave Paris, but he was on all occasions informed that it was impossible to do so, and in consequence of such information he unfortunately was not included in the party taken out by Mr. Wodehouse. Ultimately he determined to risk the journey in a balloon, and accordingly entered himself as a passenger by a balloon shortly leaving Paris, and for his passage paid 100*l*.

Owing to an adverse wind this balloon was carried at a low distance above the Prussian forces then investing Verdun, and was fired upon by the soldiers and descended in their midst.

Mr. Worth was taken prisoner and despatched to Versailles, where he was detained nearly a month in prison. He was then sent in a cattle truck to Cologne, where he is confined in a

small cell, and it is stated that he will be so confined until the German authorities shall think fit to summon a court-martial to try his case.

Mr. Worth's business is of an entirely peaceable description. His only object in going to Paris, and again in leaving it, was to take care of his business, and he was not in any way mixed up with any political questions.

Mr. Worth when he left England was the holder of a British passport.

No. 11.

Mr. Odo Russell to Earl Granville.—(*Received February* 13.)

VERSAILLES, *February* 9, 1871.

My Lord,—I have the honour to acknowledge the receipt of your Lordship's telegram of the 9th instant, instructing me to ascertain from Count Bismarck the result of Mr. Worth's trial, the charges preferred against him, and when he will be set at liberty.

I have never ceased to appeal to Count Bismarck in behalf of Mr. Worth, ever since I have been at Versailles; and I have obtained a promise that his life would be spared, and assurances that he would be pardoned by the King, and released after his trial was over. Beyond that, all my exertions have failed, to my deep regret.

The result of his trial does not appear to be yet known at head-quarters. The charges preferred against him are contained in the inclosed Despatch from Count Bismarck to Baron Thile; but when he will be set at liberty I have not been able to ascertain.

After all I have done and failed in, during nearly three months, I am convinced that the only way left to obtain his release would be an appeal from Her Majesty the Queen to the Emperor of Germany.

I am, &c.

(Signed) ODO RUSSELL.

Inclosure in No. 11.

Count Bismarck to Baron Thile.

VERSAILLES, *December* 3, 1870.

(Translation.)

With reference to my communication of the 23rd of last month respecting the English prisoner Worth, I have the honour to communicate to your Excellency the following particulars, which have been supplied to me by the military authorities :—

The British subject in question, inasmuch as he was captured in a balloon by which illicit correspondence, punishable in time of war, was forwarded, has brought upon himself, as well as the other passengers, the suspicion of being the bearer of such despatches.

The investigation which is about to be instituted against Worth on suspicion of spying and rendering secret services to the enemy will determine if he has been guilty of this offence or not. However, even if the above-mentioned suspicions regarding Worth should not be proved, if, for instance, illicit correspondence had not been found in the balloon, still his arrest and the judicial inquiry would have been justified, because he had spied out and crossed our outposts and positions in a manner which was beyond the control of the outposts, possibly with a view to make use of the information thus gained to our prejudice.

That such a proceeding cannot be tolerated by any power at war requires no further explanation.

In order, however, to show the goodwill of the Government towards a friendly power, His Majesty has been pleased to command that the result of the inquiry respecting Worth should be communicated to him before the sentence is carried out, and the necessary instruction has been conveyed to the Governor of Cologne.

I request your Excellency to be so good as to bring the foregoing to the knowledge of Lord A. Loftus.

(Signed) VON BISMARCK.

No. 12.

Earl Granville to Mr. Odo Russell.

FOREIGN OFFICE, *February* 16, 1871.

Sir,—I have instructed you this day by telegraph to use your utmost endeavours to procure information as to the nature of the charges upon which Mr. Worth was tried at Cologne, as to the character of the sentence that was passed upon him if, as may be presumed from his continued imprisonment, he was condemned, and as to the time at which he may be expected to be liberated.

Her Majesty's Government are informed that the trial was concluded and the papers respecting it sent to Versailles nearly a month since, and on the 29th ultimo you informed me by telegraph that he was shortly to be liberated. No efforts have since been spared to obtain informating respecting him, but up to the present time no information has been received. His friends are naturally anxious as to his fate, and I must request you to press urgently for an answer on the points to which I have directed your attention, and to state that Her Majesty's Government are most desirous to be made acquainted with the circumstances attending the trial, and the results, in order that they may communicate them to the persons who are interested in him.

I am, &c.
(Signed) GRANVILLE.

No. 13.

Lord A. Loftus to Earl Granville.—(Received February 17.)

BERLIN, *February* 17, 1871.

(Telegraphic.)

M. de Thile informed me last night that the Military Court at Cologne had acquitted Mr. Worth, and that he would be liberated at once, if he had not already been set at liberty.



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